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In Chicago this week: AAR's
Communication & Signal
Section meets . . . . . p. 16

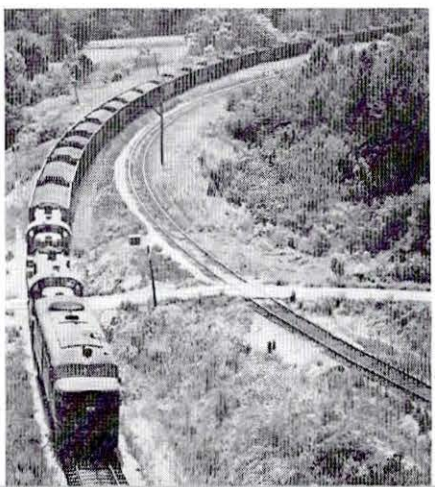
October 22, 1962

RAILWAY AGE WEEKLY

EXCLUSIVE
NTERVIEW
with
. H. Kendall

Looking ahead on the L&N:

- **Integral trains for coal**
- **Sales boost for piggyback**
- **High-capacity cars**
- **Stepped-up training**
- **New accounting policies** p. 12



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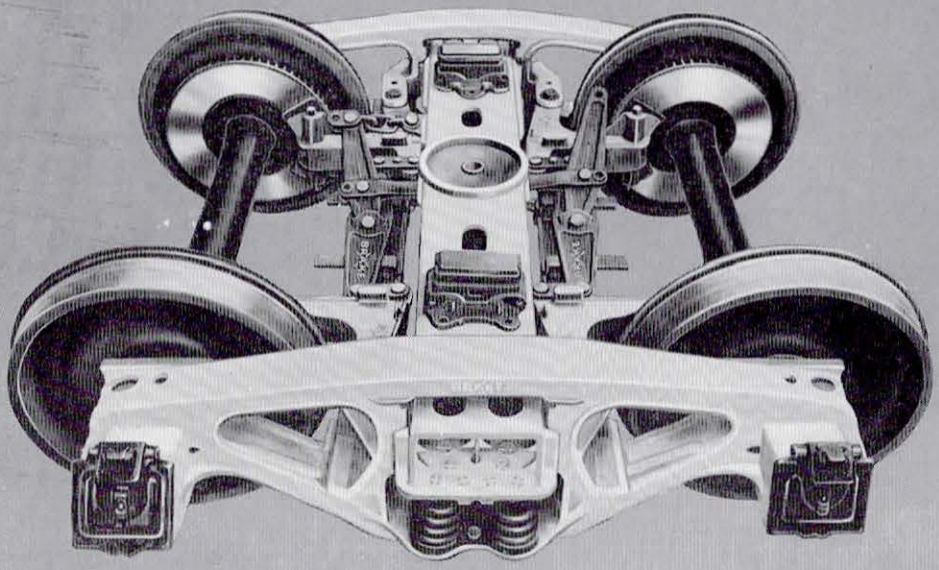

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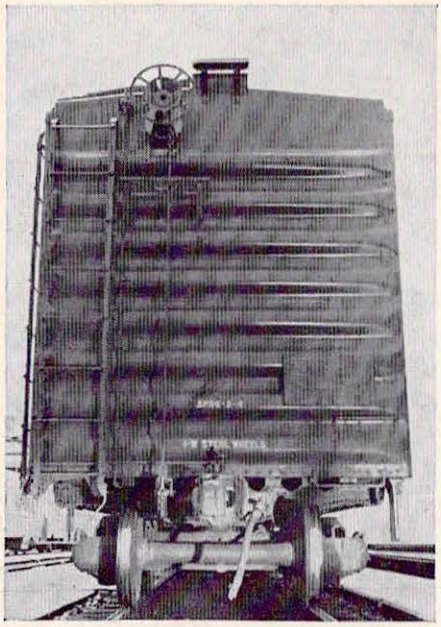

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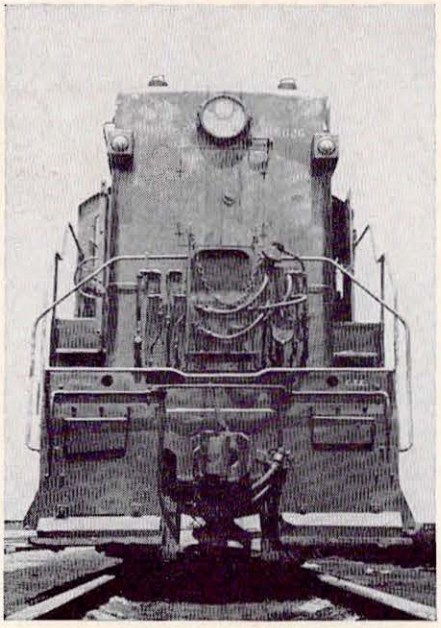

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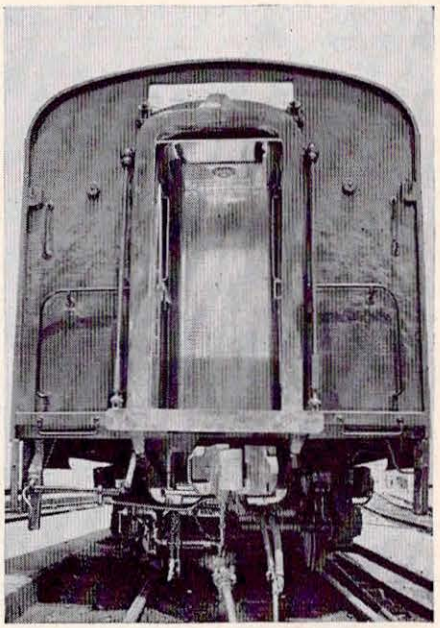

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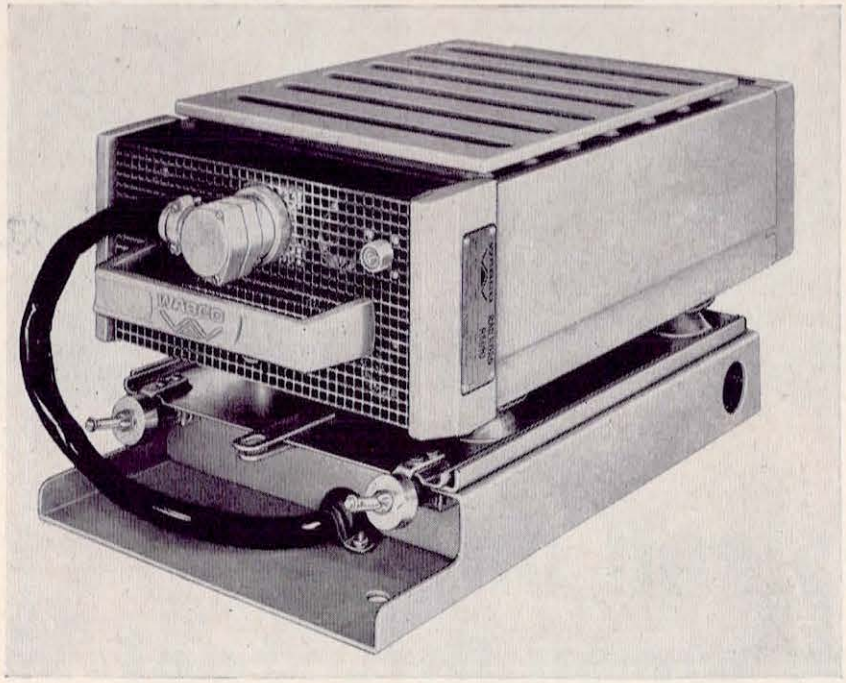

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RAILWAY AGE

WEEK AT A GLANCE

October 22, 1962 • Vol. 153, No. 17

Soo Line, CGW explore merger

Consolidation of the two midwestern carriers would create a 6,200-mile system linking five major rail centers and touching 11 states **p.9**

Looking ahead on the Louisville & Nashville

L&N President William H. Kendall, in an exclusive interview with Railway Age, lists the reasons why his company regards the future with enthusiasm **p.12**

Communication & Signal Section meets this week

The AAR group's annual meeting will be held in the Sheraton-Chicago Hotel Oct. 23-25. Twelve addresses and 11 committee reports will be presented **p.16**

Automatic telephone dialing saves time

Here's how the Milwaukee Road and the Chesapeake & Ohio have eliminated dialing errors and saved considerable time by using automatic telephone dialing devices **p.16**

Trenching machines cut costs

Machines can reduce the cost of trenching by as much as two-thirds, compared with the cost of hand digging, a Railway Age survey indicates **p.19**

SP uses new-type interlocking

A remote control interlocking installed by the railroad in California uses a non-conventional method of handling controls and indications **p.20**

Strike Problem: Rust on rails

During the Telegraphers' strike, the C&NW found more than one way to keep its rails rust-free and its signals operating properly **p.22**

Department

Freight Carloadings 43
New Equipment 43
New Products Report 41
People in the News 46
Railroading After Hours 37
Railway Market 43
Supply Trade 46
The Action Page 50
Watching Washington 10
You Ought to Know 48

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WEEK AT A GLANCE

Tired of 'excuses,' shippers talk tough

Sharp criticism of railroads' failure to "give the customer what he wants" dominated NASAB's 26th annual meeting at Chicago last week p.44

The Action Page—Who's to pay for lost jobs?

If anybody is to pay indemnities for railroad jobs that have vanished it should be the federal government, which has paralleled railroads with subsidized competition p.50

Short and Significant

This year's gross capital expenditures . . .

of Class I line-haul railroads are now expected to be 29.7% above the 1961 outlay—$838.5 million, compared with $646.5 million.

Piggyback carloadings . . .

are still the brightest spot in the traffic picture. The week ended Oct. 6 was the third straight in which TOFC loadings topped the 15,000 mark (see page 43).

Abandonment of the Chicago North Shore & Milwaukee . . .

is now scheduled for early next month. The ICC has affirmed its previous report, authorizing the road abandon its entire line.

Class I railroad employment dipped . . .

to 685,020 in mid-September—down 3.6% from the August figure and 5.35% below a year ago, according to the ICC's Bureau of Transport Economics and Statistics.

Current Statistics

Operating revenues	
6 mos., 1962	$4,703,650,132
6 mos., 1961	4,417,470,000
Operating expenses	
6 mos., 1962	3,713,490,394
6 mos., 1961	3,594,534,970
Taxes	
6 mos., 1962	531,960,577
6 mos., 1961	482,452,262
Net railway operating income	
6 mos., 1962	265,495,659
6 mos., 1961	145,845,950
Net income estimated	
6 mos., 1962	171,000,000
6 mos., 1961	62,000,000
Carloadings revenue freight	
41 wks., 1962	22,769,406
41 wks., 1961	22,366,343
Freight cars on order	
Sept. 1, 1962	12,429
Sept. 1, 1961	9,690
Freight cars delivered	
8 mos., 1962	26,706
8 mos., 1961	22,439
Serviceable cars	
Sept. 1, 1962	1,437,496
Sept. 1, 1961	1,470,420
Cars awaiting repairs	
Sept. 1, 1962	135,257
Sept. 1, 1961	153,570

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letter to the editors

Recently, the following editorial appeared in RAILWAY LOCOMOTIVES AND CARS (July '62 issue):

"Now, AAR hotbox statistics for April...are expected to show more than a million freight-car miles per hotbox set-off between terminals as the average of all reporting railroads, an outstanding achievement."

"The rapid rise in miles per hotbox has created new problems. One is the need to insure the journal boxes being oiled at mileage intervals that will prevent them from running dry. Another is one of hotbox detection. Telltale smoke signalled watchful eyes and keen noses that hotbox conditions existed in waste-packed boxes; pads under overheated journals in tightly sealed journal boxes do not emit a similar smoke alarm. This is the principal reason that the number of burned-off journals and derailments have not declined in the same ratio as hotboxes."

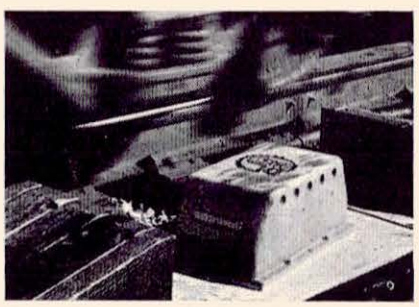
(underlining is ours)

The switch to pads is rightly given credit for a great deal of this improvement. Yet, as another editor (RAILWAY AGE, June 25, 1962, issue) puts it,

"All credit for the improving hotbox record can not be given to lubricating devices replacing loose waste. Roller bearings, hotbox detectors and other improvements have also affected the record."

The complex problem of hotboxes is ultimately one of lubrication. But, lacking a panacea in this area, a series of preventive steps, having an additive value to one another, can probably boost the average between set-offs to two million miles in the not-too-distant future.

We believe—as do the twenty-eight major Class I American railroads that have already installed them—that SERVOSAFE® Hot Box Detective* Systems are an important part of the answer. Hotboxes that are *just beginning* to overheat are easily identified by their pips on the SERVOGRAPH® chart. And this is true for cars on the main line, at key points such as bridges and tunnels, or on their way into the classification yard. Corrective lubrication, or car set-out, can be accomplished before a critical condition arises. When installed at recommended intervals, the SERVOSAFE Hot Box Detective System can virtually eliminate journal burn-offs and derailments. It complements the other preventive measures taken, with an added dimension of certainty not possible by visual and manual means alone.



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SOO-CGW AT A GLANCE

	Soo Line	Chicago Great Western
Mileage	4,692	1,468
Employees	6,200	1,993
Net Income, 1961	$663,651	$1,151,000
Operating Revenues, 1961	$74,992,000	$31,320,000
Operating Ratio, 1961	82.3%	74.9%
Locomotive Units	228	141
Freight Cars	16,379	5,422
Passenger Cars	168	35

Soo Line and CGW Start Merger Study

► **The Story at a Glance: A new midwestern railroad system — linking five of the nation's major rail centers and touching 11 states—may be created by Soo Line and Chicago Great Western. Merger is under study—and it promises to be a study in contrasts and comparisons, involving two roads which are more complementary than competitive.**

Merger study committees will go to work immediately in an effort to find out if Soo Line and Chicago Great Western should become one system.

If the answer is "yes"—and if directors, stockholders and regulatory agencies should agree—the Midwest will have a new 6,200-mile system blanketing the northern tier of states as far west as Montana and stretching south to Chicago, Kansas City and Omaha.

Soo-plus-CGW would be, essentially, an end-to-end consolidation. The two roads do compete between Minneapolis-St. Paul and Chicago—but they reach the major terminals by nonparallel routes, CGW swinging south through Iowa and Soo looping east into Wisconsin.

L. H. Murray, Soo's president, and E. T. Reidy, chairman of the board and president of CGW, said in a joint statement that the study "will seek to determine the economies, efficiencies, advantages and other aspects of a merger of the two companies. Study committees will concern themselves with revenue potential, possible savings in operating expenses and the mechanics of a merger. A final determination will be made later as to whether a merger proposal should be placed before stockholders of the two companies and regulatory agencies."

The study is to be made by personnel from the two roads' staffs—perhaps reflecting the success Soo had with a home-grown study that produced the present Soo Line out of a merger Jan. 1, 1961, of Minneapolis, St. Paul & Sault Ste. Marie; Wisconsin Central; and Duluth, South Shore & Atlantic. Almost all the advance work on that three-way consolidation was done by staff personnel—and indications are that experience over the past two years has backed up staff findings in the studies.

Soo's pro-merger leanings—and a far-in-advance indication of the way it might move—were spelled out almost a year and a half ago, when President Murray urged continuation of the merger trend to promote efficiency "and to pave the way for ultimate growth." Most mergers, he noted, "so far have had as their primary purpose reduction in cost and improvement of efficiency." MStP&SSM-WC-DSS&A fell into that group, but Soo-CGW would appear to classify rather as an "ultimate growth" situation.

For Great Western, this will be a first venture into the merger arena. Some months ago, CGW had reportedly talked merger with two larger roads —but nothing apparently resulted from the discussions (which did not then involve Soo Line).

Soo and Great Western appear to have a number of common characteristics—and just about as many points of contrast.

Soo's stock, for example, is widely held—but control (about 55%) rests with Canadian Pacific. Control by another company is not a factor in the CGW picture.

(Neither company's stock has been particularly active this year. Soo's one class of stock has ranged between 5¼ and 10½. Great Western's common has ranged between 10 and 27⅜, its preferred between 22¼ and 36½. Coincidentally, CGW common rose 3¼ and the preferred gained 2¼ last Tuesday, the day before the merger study was announced. Soo stock remained unchanged over the same trading day.)

From a traffic standpoint, both roads are heavily dependent upon business received from connections and upon agricultural commodities. Soo, in 1961, showed almost an even split—about 8.7 million tons originated, about 8.7 million received from connections. CGW originated 3.6 million tons and received 4.2 million from connections. Products of agriculture accounted for 25% of Soo's originated traffic, 29% of Great Western's.

A sizable part of Soo's bridge traffic is business received from Canadian Pacific at three border interchange points—Portal, N.D.; Noyes, Minn.;

WATCHING WASHINGTON WITH WALTER TAFT

• **CONGRESS** finally adjourned Oct. 13, after several days in which adjournment plans were on the on-ag'in-off-ag'in basis. Nothing happened in the session's final week to supplant repeal of the tax on fares of railroads, bus lines and domestic water carriers as the principal transportation legislation enacted this year (RA, Oct. 8, p. 10). The repealer, effective Nov. 15, will end the 10% levy on rail, bus and water-carrier fares and cut the air-fare tax from 10% to 5%, leaving the latter as a charge for use of publicly-provided air-transport facilities. All proposed legislation pending at any stage short of final enactment died with the adjournment. That ended the 87th Congress' last meeting—unless there is a special session, not now expected. The new Congress, the 88th, will convene Jan. 9, 1963.

THE DELAY IN ADJOURNING, however, did provide time for enactment of an income-tax-relief measure of great interest to several railroads. It will authorize taxation of joint facilities, such as terminal companies, as partnerships. That will remove such companies from the scope of court decisions holding that a corporation may be taxed on its profits even though it uses them to supply services to a shareholder at less than cost, and that the shareholder may be treated as if it had paid at least the cost of any services rendered and received the profits attributable to the undercharge in the form of a dividend.

LOST IN THE ADJOURNMENT RUSH was an appropriation bill which would have provided $1,000,000 for the Department of Commerce to get under way with studies called for in President Kennedy's Transportation Message. Anything beyond preliminary work in this area will now be delayed until next year. The studies are expected to extend over a period of 5 years and cost a total of about $10 million (RA, Oct. 1, p. 10).

• **NEW PIGGYBACKING RULES** proposed by the ICC have now been served formally on parties to the Commission's Ex Parte 230 investigation of trailer-on-flat-car operations. The service came in an Oct. 12 order incorporating the rules which had been distributed at Oct. 9's prehearing conference in the case (RA, Oct. 15, p. 9).

A TIMETABLE was also set out in the order, issued by Commissioners Herring and Tucker, who are in charge of the case. On or before Nov. 16, each party must file a "special pleading" setting forth its reaction to the proposed rules and suggesting any changes it thinks should be made. These pleadings must be brief, they must not include argument or supporting data, and no replies to them may be filed. The same date, Nov. 16, is also the deadline for getting into the case by notification to the Commission's secretary. Thereafter, "no additional party will be allowed to participate except by special permission." The Commission desires participation "only by those who intend to take an active part."

VERIFIED STATEMENTS, setting forth detailed positions of the parties on all piggybacking issues embraced in the broad investigation, must be filed on or before Dec. 10, much earlier than the railroads proposed. Replies to verified statements are due Jan. 28, 1963.

SEPARATION OF THE CASE as to issues or operational areas will be considered by the Commission—"for good cause shown." Parties desiring that procedure may request it in pleadings filed on or before Feb. 6, 1963. There will be no replies to such pleadings.

and Sault Ste. Marie, Mich.

In recent years, CGW has been building up its originated-tonnage totals—thanks largely to an industrial development program that brought 37 new permanent industries on-line in 1961 (plus 77 temporary industries and 27 plant expansions). Soo hasn't lagged in ID. Last year saw 47 new industries locate on-line—new businesses which are expected to produce about 3,100 carloads annually.

Both roads suffered in 1961 because of depressed economic conditions and (especially Soo Line) the worst drought in recent years. But close control of operating expenses—Soo cut costs by $5.9 million, CGW by $462,000 — helped both companies show a profit. Soo made $664,651, compared to a $344,728 deficit for the constituent companies in 1960; Great Western netted $1,151,000, about $343,000 less than it earned in 1960.

By most indices—mileage, number of employees, gross revenues, assets, number of locomotives and cars—Soo is two to three times bigger than Great Western. Soo, for example, has assets totaling $214 million, CGW $94 million. Soo's 1961 revenues were $75 million, Great Western's $31 million.

Wide territory

Geographically, the two roads together would blanket Wisconsin, Minnesota, North Dakota, Iowa and the Michigan Peninsula. Soo also reaches into Illinois, Montana and South Dakota; CGW enters Illinois, Nebraska, Missouri and Kansas (though its entries into Chicago, Kansas City and Omaha terminal areas are via trackage rights).

From a competitive standpoint, CGW shows certain advantages—among them the shortest route between Omaha and St. Paul and the second shortest line between Kansas City and St. Paul. Its Chicago-St. Paul line ranks only as third shortest in the crowded Chicago-Twin Cities picture—but Soo's route between the same two points is another 25 miles longer.

Neither road is much burdened with passenger operations (though each runs a sizable deficit on the passenger trains it does maintain). CGW has a daily train each way between Minneapolis-St. Paul and Omaha; Soo Line retains a service to most of its major cities.

Soo-CGW is the second merger move in the active stage in the upper Midwest—the other, of course, being the Great Northern-Northern Pacific-Burlington-SP&S consolidation which is now before the ICC.

Among competing roads, only Rock Island—involved in studies with Southern Pacific and Union Pacific—is active in the merger field at the moment.

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EXCLUSIVE INTERVIEW

L&N Looks to the

Prosperous, progressive Louisville & Nashville looks ahead with assurance. President W. H. Kendall tells why, in an interview that covers today's L&N from sales to accounting, from TOFC and auto racks to the development of the integral train

A transplanted New Englander, William H. Kendall took over the presidency of L&N in 1959. His railroad service began in the mid-1920s with summer work on the Ann Arbor and later the Pennsylvania. After 15 years with PRR (1933-48) in the engineering department, he headed south to join Atlantic Coast Line as assistant to the vice president and general manager and assistant to the president. From there, it was on to Clinchfield as general manager (1950-54) and then to L&N as assistant to the president (1954-57) and vice president and general manager (1957-59).

Q. Mr. Kendall, the Louisville & Nashville has had notable success in retaining coal traffic and in developing new business—including the planned movement of coal in 100-ton cars in solid train-loads from a U. S. Steel mine at Lynch, Ky., to a washer at Corbin. How do you stand on this project now?

A. It looks very promising. We're expecting to start moving very quickly. The steel corporation has been working on the necessary designs for the loading and unloading facilities. They're now in the advanced stage of design and have just about reached the point where we can go ahead with obtaining equipment to inaugurate the service.

Q. Do you expect to begin this movement by the end of the year?

A. No, it'll be a little longer than that. I would say now that it will be sometime in the Spring when this new arrangement should be put into effect.

Q. Does your proposed operation differ from the so-called integral-train concept?

A. Not at all. It is what we consider an integral train. It so happens in this particular instance a certain volume of business was involved. We approached the physical aspects by, you might say, an analytical method, computing the number of cars that would be needed to most economically handle the business between the mine and the washing plant over a continuous period of time. It worked out that U. S. Steel wanted to move 60,000 tons of coal a week, and the most efficient method of handling it proved to be in 10,000-ton lots—one movement a day, six days a week. The train itself is to be operated with locomotives at each end. There'll be no turning, no switching, no caboose. When the train is operated in one direction, the locomotive at the other end will be remote-controlled through radio. When the train is in the terminal, loading and unloading, it will be operated by remote control.

Q. What will your crew consist be?

A. It'll be a normal crew—that is, the road crew will be five men.

Q. L&N territory is dotted with many mines which have relatively small daily production. Can you make use of this same volume-movement concept elsewhere?

A. We can and we are doing so. The integral-train concept is flexible and we also serve other mines with ratings of between 50 and 200 cars per day based on current sales levels. We have one operation where mines in Western Kentucky serve a TVA steam power plant at Gallatin, Tenn. The coal is gathered in two areas, but its principal line haul movement is in solid trainloads—two trains per day, 75 cars each, operating 6 days per week.

The coal is loaded at several mines, but they are fairly close together and so situated that cars can be assembled conveniently at one point and moved from that point to destination. This affords a quick turnaround and reflects the integral-train concept. In another instance we are handling coal to a power plant in Alabama via rail-barge from a single mine in Western Kentucky. This coal moves every day, approximately 40 carloads at a time. The same equipment goes down and back each day, so that—in another sense—this is the integral-train concept. The coal is transferred into barges by a remote-controlled diesel switcher. The entire train is regularly unloaded within two hours and is en route back to the mine that same afternoon.

Q. How do you figure the cost advantage on moves such as these?

A. We save the cost of additional equipment that would be required to handle the movement in a "normal" way—the cost of idle freight cars. There is also a saving in both line-haul and terminal operating costs. It goes basically to the original developing of locations where power plants can be built to take advantage of rail transportation. It's all part of the economics of the power companies in determining where they're going to build their plants, as to what we can

Future With 'Enthusiasm'

do for them in the way of transportation costs on fuel. We develop the rate that would be applicable to the fuel moving to a single location, from a given number of mines. With moves such as these, we take into consideration, of course, that the coal moves in large volume, and that we can avoid the high cost of extra equipment, as well as certain operating expense, as it has normally been thought of in the past.

Q. Has there been any threat of coal pipeline construction in L&N territory?

A. Not directly. The economics of a coal pipeline in certain instances offers potential competition, but we think our ability to meet the threat—ability that is inherent in this rapid-turnaround, better-utilization concept we've been talking about—will produce rates that will satisfactorily forestall any coal pipeline development.

Q. The railroad can prove out just as economically?

A. That's our belief. I'd say so far we've been able to locate large consumers of coal at points where rail transportation can be used—and if pipe lines had been feasible, I believe they would have used pipe lines. These consumers have not located on the railroad for any other reason than that the railroad provides the most economic means of fuel transportation, all factors considered.

Q. If a shipper and receiver can discipline their movement and storage of coal as they would have to in using a pipe line, then they can use the railroad and save the cost of pipeline construction. But shipper and receiver can't abuse the railroad if they want to get the advantages from it—use cars for storage, for example, or ship at random from a variety of mines.

A. That's right to a degree. If the consumer were to use a pipe line, he'd have to obtain his coal from one source, or practically so. If he is willing to cooperate with the railroad, then we can provide transportation that is just as economical, at the same time giving the consumer greater flexibility, taking into account the integral train concept and the varying f.o.b. mine prices.

Q. L&N has expressed some interest in a 200-ton coal hopper. Has there been any further development?

A. We've about reached the capacity of the four-wheel truck and the standard wheel. To go any higher would require development of some different type of truck. We think the 100-ton car is ideal for coal, particularly when you can have a series of cars used together and never uncoupled. We see no advantage at the moment to a 200-ton car.

Q. L&N has 50 60-foot, 100-ton box cars on order from Pullman-Standard. How will these cars be used?

A. A great many will be used in the paper industry where incentive loading has been very strongly highlighted. Our average load today from the principal paper mills—and this is true in newsprint as well as in other types of paper products—has increased from 33 tons to more than 70 tons per car, and it's been brought about by the larger-capacity car, with cushioned underframe and stowing devices that permit double-tier loading. These new cars will increase average loadings even more, working to the benefit of the customers and the railroad.

Q. What about other types of high-capacity equipment?

A. We're constantly evaluating the equipment needs for a particular type of traffic, and trying to determine the optimum car to meet the situation. I think it depends on the commodity to be handled—what capacity is proper for each type of loading and movement, to get the maximum economy out of the size of the car, and our ability to handle it from loading point to consumer, assuming of course that the consumer can and wants to handle it in such large quantity. We are acquiring equipment that the customer indicates will best meet his needs and, at the same time, give us the greatest return.

Q. With these tremendous increases in average per-car loadings, then perhaps our traditional measure of business—carloadings—may be a little primitive?

A. The carload will probably remain a measure of business, but we will have to adjust upward our concept of a carload. We have to take into account the greater average load when we're trying to evaluate our progress. We've gone a little deeper into the statistical analysis of our business. In addition to carloads, our reports now include tons and revenues. Of course, one of the problems we're faced with today is increased cost and the inability, let's say, to increase revenues proportionately. We're reducing our charges in order to stay competitive with other forms of transportation, and this is putting a strain on the exchequer.

We need to know whether these rates adjustments are proper. So, by evaluating tonnage and revenue-per-ton, we see in what direction we're headed.

Q. How do the liberalized depreciation guidelines announced by the Treasury department last summer fit into L&N's equipment plans?

A. The new liberalized depreciation allowances are important only to those railroads which have sufficient taxable income to absorb the additional depreciation charges. We are one that has consistently earned money and paid income taxes, so we have a substantial interest in their application. I think the thing to be considered if you're going to use the higher depreciation rates is that in the long run your experience must meet that standard. We have proved to ourselves that these new guidelines are realistic. Our freight car and locomotive renewals are very close to the new guideline lives, so we will, of course, take full advantage of the higher depreciation charges and obtain the additional flow of cash which can and will be used for replacements. We have one of the largest fleets of freight cars of any railroad in the country, certainly compared to our size. It's been necessary to spend a great deal to keep that fleet modern. We rank, I believe, sixteenth in mileage and eighth in car ownership. The average age of our freight cars today is 11.8 years. All this has only been brought about by a continuing program of equipment expenditures. While we have been spending the money anyway to keep our equipment modern and efficient, the additional cash flow is going to mean a great deal to us and will permit continuing modernization and improvement, thereby strengthening greatly our competitive position.

Q. Will the 7% tax credit on new capital improvements encourage you to speed up such projects as shop improvements or modernization?

A. We have not hesitated to spend money that is needed to keep our property modern or to take advantage of innovations that produce economies;

we are presently changing our whole freight car repair concept from the old way of doing business to a modern assembly line setup. This requires a substantial shop expansion program, which will cost in excess of $5 million. We expect substantial economies from this operation. We inaugurated this program before we had any assurance that there would be a change in our depreciation or tax situation. The additional cash flow resulting from the 7% credit will be a great help to continued programs of this kind, and 48% of this additional cash flow will be a direct tax saving.

Q. What rate of return do you expect on this shop project?

A. That particular job indicates a very high rate of return—in excess of 25%. It will pay back in a very short time the money we're putting into it.

Q. How do you regard your passenger service situation at this point?

A. We are operating our passenger trains under a policy of providing the best possible service as long as we can at least meet our out-of-pocket costs. We measure these costs on a per-train basis—and if they're met by the revenues we get, then we continue to operate that train and do the best job we can with it. Passenger revenue has declined on all railroads in the past decade, but in the past three years on the L&N we have experienced some leveling off in passenger revenues. We have had no passenger train discontinuances in over three years.

Q. What do you plan to do when your present equipment wears out, as it must eventually?

A. We haven't crossed that bridge yet—but, believe me, we're giving some serious thought to it at the present time. Fortunately, we bought a lot of Pullman and coach equipment directly after the war, and that equipment is still in reasonably good condition. When it wears out—I couldn't answer the question today, as to what we'll do. But that question does—and will—represent a major problem to a passenger-carrying railroad.

Q. One of the real growth areas on L&N has been piggyback and autorack business. Revenues this year will probably double those of last year. How do you account for this phenomenal growth?

A. We attribute it to good, hard salesmanship. We determined early that piggyback was a growing transportation concept, and we were the first in the Southeast to offer piggyback and autorack service extensively. We not only provided facilities at numerous locations and a large fleet of specialized equipment—we worked hard at it and it has shown remarkable results. It is, as you say, anticipated that our revenue growth will double that of last year as indicated by the fact that our piggyback revenues are currently running 70% ahead, and autorack revenues are approximately 100% ahead. Piggyback is not just handling a truckload that's available. It's really a development or marketing process of finding business that is now moving by highway or other means and then finding a way to move it so the railroad can participate. That has been, I think, the principal area in which we've developed our piggyback and auto-rack traffic—new business.

QUICK-EMPTYING 100-ton hopper cars, soon to be ordered by the Louisville & Nashville, will operate in integral trains hauling coal from a U.S. Steel mine in Kentucky.

Q. Where do you see the principal growth of piggyback occurring in the next few years?

A. Everywhere. We're finding shippers, for example, who are not rail-minded at all. They use highways exclusively. But by finding out just what their problems are in the area in which they operate, we can often develop a means of handling the business piggyback and in that way develop new business for the railroad.

Q. What are your plans for expanding piggyback equipment and facilities?

A. We now have piggyback ramps at 28 strategic points on the L&N, with two more under construction. Facilities for unloading automobiles from multi-level cars, including large areas of paved and fenced parking space, are located at five major points and we have two portable facilities for use unloading cars at points where piggyback ramps are located. The possibility of expanding both piggyback and automobile traffic receives constant attention, and facilities will be constructed at additional points as fast as the traffic potential will justify. Constant study is also maintained to the end that arrangements can be made for additional equipment necessary to properly handle this fast-growing traffic.

Q. How do you regard the recently begun investigation of piggyback by the Interstate Commerce Commission?

A. We believe the ICC may lay down some guide lines for the carriers, but, on the whole, we anticipate general approval of the present practices in connection with this imaginative effort of the railroads to enjoy greater participation in the movement of intercity traffic.

Q. This emphasis on "good, hard salesmanship"—this extends all the way up through your organization?

A. We consider ourselves all salesmen at the L&N. We're all trying to find ways and means of developing more business. You could almost say it was a full-time job—but executive responsibilities have to be taken care of, and that too takes a lot of time.

Q. This keeps you away from home quite a bit, then.

A. Yes, it does, of course. The South is a growing area and many transportation problems come up as new and expanding industry takes hold. We find it necessary to stay close not only to the industries and plants in the territory, but also to the home offices of those that are in the category of branch plants.

Q. In addition to competition from truckers and other railroads, L&N—by reason of its location—is also highly competitive with water carriers. What would be the effect on your railroad of removal of minimum-rate regulation on bulk commodities?

A. Removal of minimum-rate regulation on bulk commodities would be a step toward giving us equality of competitive opportunity—without long delays and frustrations—and enable us to realize the inherent advantages of rail transportation in the handling of volume movements, such as trainload, including the integral-train concept. It is expected that this will be particularly helpful to us in improving our coal traf-

fic, where the market lends itself more and more to large volume movements.

Q. L&N has been through one merger and is now trying to acquire part of another road—the Evansville-Chicago line of the Chicago & Eastern Illinois. What's the status of this case?

A. Hearings have been completed and briefs have been prepared and filed. Unfortunately, we believe the time limit within which to file these briefs was unduly extended. In any event, the examiner has yet to prepare his report, and nothing further can be done until the report is brought out.

Q. What would the acquisition of the Evansville-Chicago line mean to L&N?

A. It would give us single-line control over a through route which has historically been of importance to the territory we serve—a direct connection between many areas in the Southeast and the Chicago area. Elimination of the present interchange bottleneck at Evansville would cut several hours from the elapsed time in handling our freight traffic between the large industrial areas of the Midwest and the Southeast. A through route under the control of one railroad is of great advantage in establishing expedited service, and we think that is the most important feature of the acquisition at this time. We think also that acquisition of the line by L&N would materially help development of the territory in Indiana and Illinois now served by that line.

Q. Has the merger of the L&N and Nashville, Chattanooga & St. Louis produced the results you had hoped for?

A. Fully. We consider the results a very successful conclusion to an idea that was a natural—merging these two properties.

Q. Nothing remains to be done then, to integrate the properties?

A. No. The full benefits have been obtained.

Q. Over the years, L&N has been noted for its training and development programs. What's your position in this area?

A. One of the most important responsibilities of management is to perpetuate itself and to develop more talent within our industry. Our training programs are designed to do just that. We're constantly giving attention to that very necessary phase of conducting our business. Particular emphasis is now being placed on a marketing program, providing research, sales planning and programming and intensive sales training. Our rate officers are systematically visiting shippers and potential shippers in the field to discuss with them their problems, instead of waiting for them to come to us. The ultimate objective of this is to hold customers to our railroad, and at the same time find ways of developing new volumes of business and of recapturing business that has been lost to other forms of transportation. In this era of intense competition—which takes every conceivable form—rate-making must take into account shippers' complete needs to satisfy them with rail transportation and at the same time maximize tonnages and revenues for the railroad. Actually, we're enthusiastic about the potential we have in the railroad business. I think we're on the right track toward maintaining the railroad as the essential basic form of transportation. I believe the public is becoming more aware of the importance of railroads, and with more reasonable action by our legislators I believe we'll find railroads reestablishing their rightful position at the head of transportation.

L&N MAKES 'SIGNIFICANT' CHANGE IN ACCOUNTING

All the changes at L&N haven't involved operating concepts, new equipment or facilities improvements. Business practices have also been modernized—as with this change in accounting policy which Mr. Kendall regards as "very important and significant." Here's his outline of L&N's new system:

"L&N has consistently taken full advantage of the tax benefits available to it under the accelerated depreciation and amortization provisions of the Internal Revenue Code. As a result, the amounts of depreciation charges recorded in the accounts, in accordance with Interstate Commerce Commission regulations (straight-line method), are considerably less in the first few years following any new equipment acquisition and greater in the later years of its useful life, than the amounts allowed and deducted for tax purposes. Accordingly, the amount of federal income tax is disproportionately low in the years immediately following new equipment acquisitions and disproportionately high in later years, when related to reported earnings which are based on straight-line depreciation.

"In past years the L&N, along with most other railroad companies, in reporting annual net income has deducted only the actual federal income tax computed on the basis of accelerated depreciation and amortization, without provision in the accounts for the deferred amount of federal income tax resulting from such accelerated deductions allowable for tax purposes but not so recorded in the accounts of the L&N. The cumulative amount of this deferred tax liability has heretofore been stated merely as a footnote to the annual financial statements.

"Recognizing the material effect on net income of continuing such an accounting policy, the management elected to change the company's accounting policy in this respect beginning with 1961. Accordingly, the provision for federal income tax for the year 1961 was calculated on the basis of depreciation charges as recorded in the accounts of the L&N. The 1961 deferred tax benefit amounting to $1.4 million resulting from the accelerated depreciation was credited to a newly created reserve for future tax payments. Also, at Dec. 31, 1961, this same reserve was credited and retained earnings charged with $43,077,998, representing the accumulated federal income tax deferments for years prior to 1961."

COMMUNICATION, SIGNAL MEETING

A report on new radio techniques applied to Seaboard Air Line hotbox detectors will be among the highlights of this week's annual meeting of the Communication and Signal Section of the Association of American Railroads. The group will meet Oct. 23-25 in the Sheraton-Chicago Hotel, Chicago, Ill. Twelve addresses (including six technical papers), and 11 committee reports will be presented. The detailed program follows:

Tuesday, Oct. 23—10 a.m., in Grand Ballroom

Address: F. S. Hales, President, New York, Chicago & St. Louis
Address: C. D. Buford, Vice President, Operations and Maintenance Department, AAR
Address: G. B. Anderson, Assistant Chief, Section of Railroad Safety, Bureau of Safety and Service, Interstate Commerce Commission
Address: S. W. Miller, Chairman
Report: Committee of Direction

Afternoon Session

Report: Committee 5—Instructions and Shop Practice
Address: The Impact of the Scientific Revolution Upon the Next 50 Years of Electronic Development, by D. E. Noble, Executive Vice President, Motorola, Inc.
Report: Committee 3—Electronics
Address: Solid State Switching, by P. N. Bossart, Senior Consulting Physicist, Union Switch & Signal Div., WABCO
Report: Committee 7—Inside Plant
Address: Talking Hotbox Detector, by J. R. DePriest, Superintendent Communications and Signals, Seaboard Air Line
Panel Discussion: Hotbox Detectors. Moderator, J. G. Karlet, Superintendent Signals and Communications, Norfolk & Western

Wednesday, Oct. 24—9:15 a.m., in Tally Ho Room

Report: Committee 4—Radio
Address: C. D. Plummer, Chief of Safety and Special Services Bureau, Federal Communications Commission
Address: Radio Repeater System in Cascade Tunnel, by R. A. Johnson, Engineer Signals and Communications, Great Northern
Report: Committee 6—Designs
Report: Committee 10—Interlocking, Traffic Control and Block Signaling
Address: Pulse Code Modulation, by Claude S. Davis, Transmission Systems Development Engineer, Bell Telephone Laboratories, Inc.
Report: Committee 1—Wire and Cable Lines
1 p.m. to 5 p.m.—Manufacturers' Conferences and Exhibits

Thursday, Oct. 25—9:15 a.m., in Tally Ho Room

Report: Committee 8—Highway Grade Crossing Protection
Address: Safety, by G. M. Dempsey, Assistant Superintendent Safety, Chicago, Milwaukee, St. Paul & Pacific
Report: Committee 9—Transmission
Panel Discussion: New Concept in Integrated Communications and its Technical Implications. Moderator, T. M. Evans, Communications Engineer, Chicago & North Western
Address: Signal Control Under Disaster Conditions, by H. B. Garrett, Signal Engineer, Southern Pacific
Report: Committee 2—Practices and Operation
Report: Special Committee on Education and Training

Automatic

Elimination of dialing errors and considerable time savings result from the use of automatic telephone dialing devices by the Chesapeake & Ohio and the Milwaukee Road.

At the latter's Milwaukee, Wis., switch crew caller's office in Muskego yard, for example, a Rapidial unit enables the caller to make 60 or more calls per hour. Its operation is explained as follows by W. D. McGuire, Milwaukee system supervisor-telephones:

"The unit operates on the principle of a magnetic tape that memorizes the numbers dialed into it. The magnetic tape is synchronized with a paper tape on which a name, or in our case, the position number is written. The unit has a capacity of 300 telephone numbers.

"Here's how calls are handled with the automatic dialing device: The dial of the Rapidial is rotated to the correct position of the party to be called. The telephone handset is removed from the stand. A lever on the front of the Rapidial is depressed to operate the unit, which then automatically dials the number to be called.

"We have two lines in service with the Rapidial, so that as a call is being completed on one line the device is shifted to the other to dial the next number. This allows the caller to fill in the call sheet and make notes while the next call is being placed.

"The procedure to change a number in the Rapidial is simple," Mr. McGuire says. "The number to be changed is positioned on the unit. The device is then unlocked by pressing a lever and the new number dialed in the same manner as would be done on the telephone. The old name or position must be erased and the new one written on the paper tape. The unit is then locked and is ready for use.

"The number of calls will vary greatly according to [such things as] the nature of the call, the prompt answer by the party called, but experience shows that up to 60 calls and more can be handled in an hour."

The C&O communication department has been actively engaged in the testing and evaluation of automatic telephone dialing devices for about two years. During this period, extensive tests were conducted on three types of dialers available from telephone companies. The conclusion is that two of the types tested (Integrated Card Dialer and Rapidial) have definite advantages in certain railroad communication operations, reports P. A. Flanagan, C&O superintendent of communications.

Telephone Dialing Saves Time

CHESAPEAKE & OHIO uses a punched plastic card dialing device which holds 40 cards, but the nearby rack holds 450 cards. Also, cards can be adapted for record purposes.

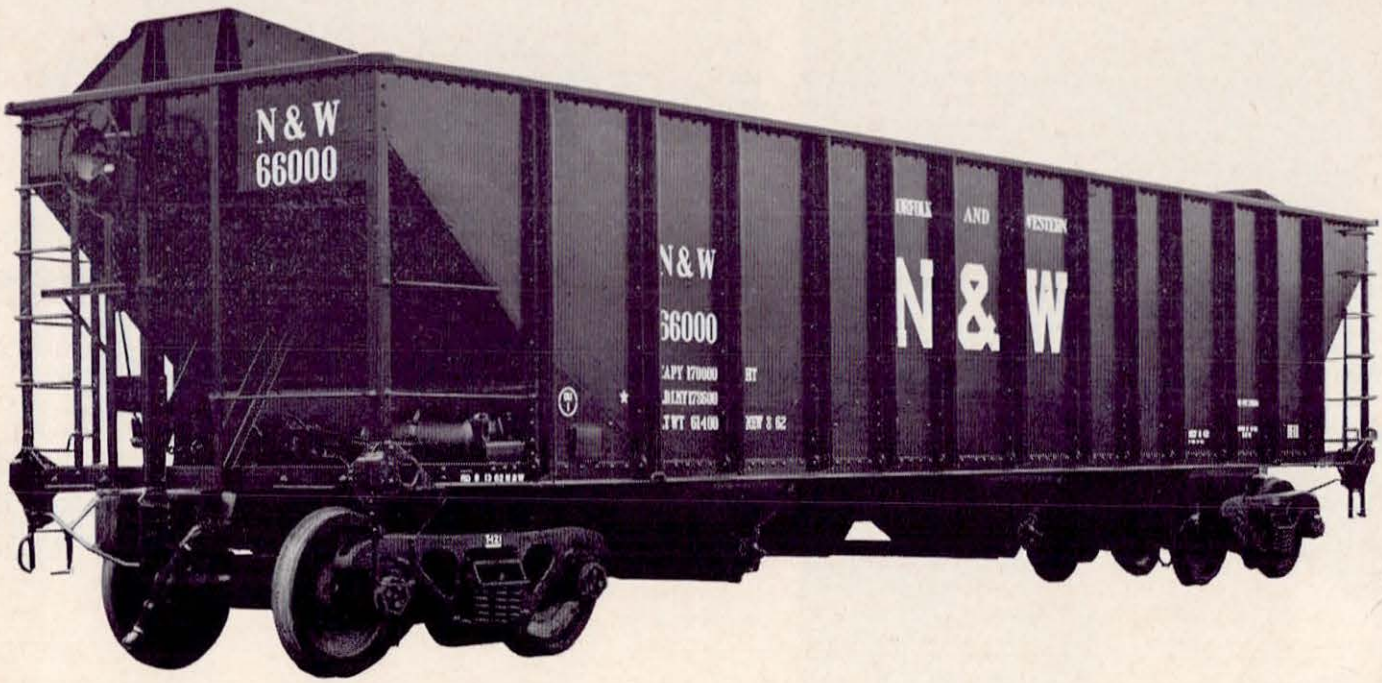
MILWAUKEE ROAD uses an automatic telephone dialing unit that can handle 60 or more telephone calls per hour. The memory section of the device holds up to 300 telephone numbers.

"Bell System's 661A1 combined telephone set with integrated Card Dialer, when used in conjunction with a 3A speakerphone installation," Mr. Flanagan points out, "can streamline crew caller operations in yard and terminal areas. Use of the 661A1 set in this operation requires that some means of filing and dial cards be provided by the railroad, as the set itself will only accommodate about 40 cards, and the telephone numbers handled by a crew caller may run from 300 to over 800 numbers.

"To obtain full benefits from a Card Dialer installation in crew caller service, the cards should be filed in a manner to permit identification of employees by job assignment and status. That is, conductors, engineers, brakemen, etc., and if working, on vacation, sick, and other information pertinent to their standing on the crew board. In some respects this information may be more valuable, when readily available to the crew caller, than the fact that he is assured of dialing a number correctly through use of the punched dialing card. The advantage of the Card Dialer over other types of automatic telephone dialing equipment, for some uses, is the ability to adapt the cards for record purposes as well as dialing operations.

"Programming the Card Dialer is accomplished by the user punching out holes in a 2-3/16-in. by 3-7/16-in. laminated plastic card.

"Rapidial equipment is adaptable to other railroad applications, such as equipment dispatching and sales solicitations, where the dialing of many numbers is a daily occurrence," Mr. Flanagan says. "Studies are being conducted on the use of Rapidial equipment with speakerphone and operator's headsets to improve some of our communication operations. Definite conclusions as to the best arrangement for a particular application have not yet been determined."



This is one of 300 N&W cars recently equipped with Brenco crown-taper Roller Bearings

BRENCO INCORPORATED
Petersburg, Virginia

BRENCO
BEARINGS

Trenching Machines Cut Costs

TRENCHING COSTS are reduced as much as two-thirds when power trenchers are used instead of hand digging. This unit digs up to 300 ft per hour.

To reduce the cost and time required for digging trenches for direct burial of underground signal, communications or electrical cables, many railroads have utilized trenching machines.

"Trenching machines have reduced the cost of trenching to approximately one-third of the cost of working by hand," reports J. S. Grossman, general outside plant engineer, Canadian National Telecommunications. "The use of trenchers by CNT has been limited to trenching in railway yards and for various other short cable runs. Approximately 43 miles of trench have been excavated during the past six years by CNT-owned machines," he says.

CNT has three types of trenchers. One, the Barber-Greene model 702 ditcher, of compact design, can work in close quarters. Another, the John Deere crawler tractor with Auburn trencher, has good traction and flotation. The third, a Massey-Ferguson rubber-tired tractor with Arps trencher, is especially suitable for work in railway yards where numerous tracks have to be crossed. Also, it can run under its own power to job sites on paved surfaces where the use of crawler tractors may be prohibited. "Each of these machines has operated satisfactorily when used under conditions for which they were designed," Mr. Grossman states.

Other railroads queried in a Railway Age survey on trenching machines included the Frisco and the Pennsylvania. M. R. Steele, the Frisco's general foreman communications and signals, describes his road's use of trenchers this way: "We have been using two trenchers of the jeep type for several years in connection with installing underground cable, conduit, anchor logs for guying poles, and, in a few instances, for stringing line wire.

"One of these trenchers was recently replaced with a Ditch Witch, which operates on crawler treads and is equipped with a 9-hp air-cooled engine and a 4-ft digging boom.

"The Ditch Witch must be shipped or transported from one location to another on a trailer if moved an appreciable distance, in view of its low speed, not designed for highway movement. The compactness of the Ditch Witch makes it more adaptable to our use in close quarters, moving across tracks, digging under rails, and trenching for track wiring.

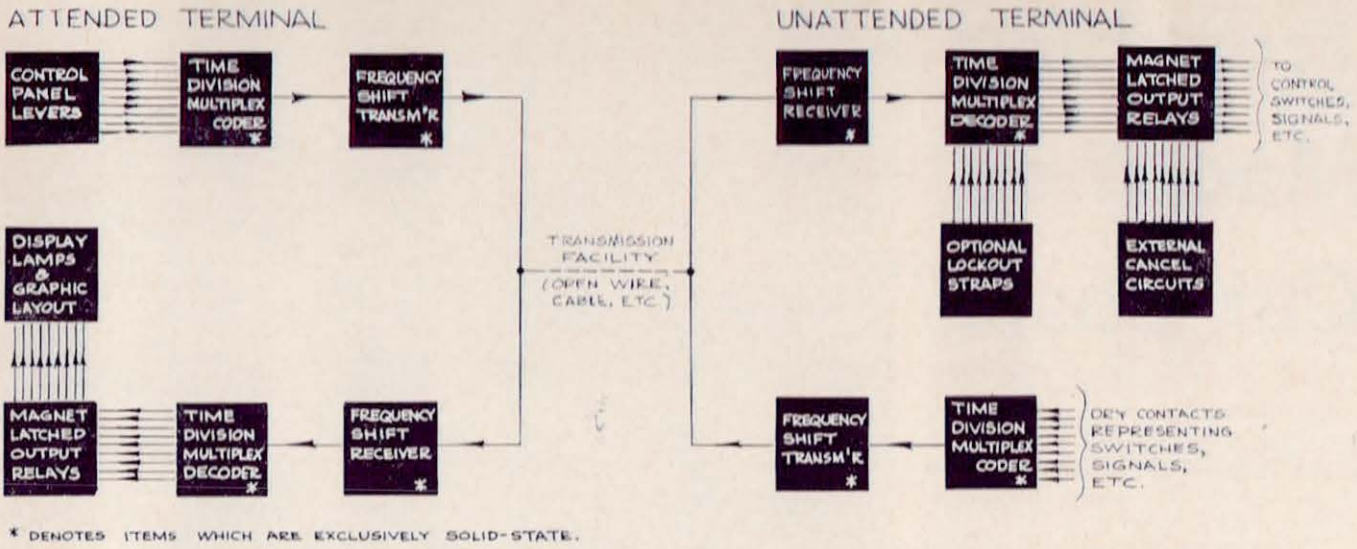
"We have the Ditch Witch and one jeep trencher in service at the present time. There is little or no difference in the digging speed between the two types of equipment, which is approximately 300 ft per hour."

The PRR has been using trenching machines for new work and maintenance purposes for the past several years, says System Engineer—Communications and Signals F. L. Chatten. "Initially, the trenchers were purchased at various locations on our railroad, the type depending on the terrain, soil conditions, amount of trenching required and accessibility to the roadway."

PRR's two Ditch Witch trenchers have a maximum productivity of 200 ft per hour. Normal use is where there is good soil, few rocks, and the small amount of trenching required must be done in narrow locations. The road's two Barber-Greene model 702 trenchers also are applicable for narrow locations, but the other conditions of normal use have wider latitude. The B-G trencher is used in heavier soil, such as slag ballast. It is used in large projects, because it can trench at a maximum rate of 300 ft per hour. PRR's two Jeep-Go-Far trenchers, with maximum digging rates of 500 ft per hour, are best suited for major projects such as hump yards or CTC installations. The Jeep-Go-Far can work through heavy material and can backfill the trench.

"The rate of productivity varies according to location, traffic conditions, depth and width of trench necessary, and accessibility along right-of-way," Mr. Chatten says. "Also, as a trench cannot normally be left open overnight, it is necessary to install cable and backfill the hole.

"All our trenching machines are moved from project to project as required and they are also utilized by other departments for similar work. We have also leased machines of this type for smaller projects over short durations of time."


ATTENDED TERMINAL
UNATTENDED TERMINAL
CONTROL PANEL LEVERS
TIME DIVISION MULTIPLEX CODER *
FREQUENCY SHIFT TRANSM'R *
DISPLAY LAMPS & GRAPHIC LAYOUT
MAGNET LATCHED OUTPUT RELAYS
TIME DIVISION MULTIPLEX DECODER *
FREQUENCY SHIFT RECEIVER *
TRANSMISSION FACILITY (OPEN WIRE, CABLE, ETC.)
FREQUENCY SHIFT RECEIVER *
TIME DIVISION MULTIPLEX DECODER *
MAGNET LATCHED OUTPUT RELAYS
TO CONTROL SWITCHES, SIGNALS, ETC.
OPTIONAL LOCKOUT STRAPS
EXTERNAL CANCEL CIRCUITS
FREQUENCY SHIFT TRANSM'R *
TIME DIVISION MULTIPLEX CODER *
DRY CONTACTS REPRESENTING SWITCHES, SIGNALS, ETC.
* DENOTES ITEMS WHICH ARE EXCLUSIVELY SOLID-STATE.

ELMHURST INTERLOCKING is remotely controlled from a machine at Fruitvale, Cal., 4 miles away.

SP Uses New-Type Interlocking

To reduce operating expenses, Southern Pacific has installed a remote control interlocking using a non-conventional method of handling controls and indications.

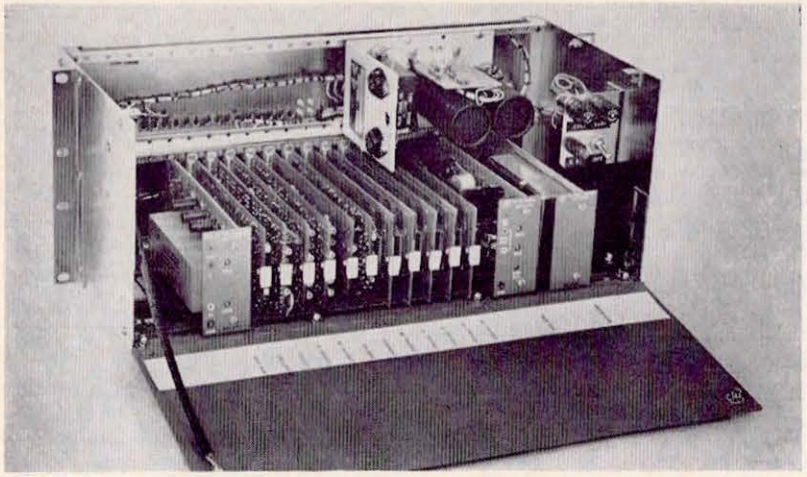
The installation uses a solid state (transistorized) time division multiplex system for handling controls and indications between the control machine at Fruitvale, Calif., and the field location at Elmhurst, about four miles distant. (Time division multiplex transmits two or more signals over a common path by using successive time intervals for different signals.)

Fruitvale, about three miles south of Oakland, is on the double-track mainline to San Jose. Elmhurst is the end of the double-track mainline and also a junction with the single-track line to Santa Clara.

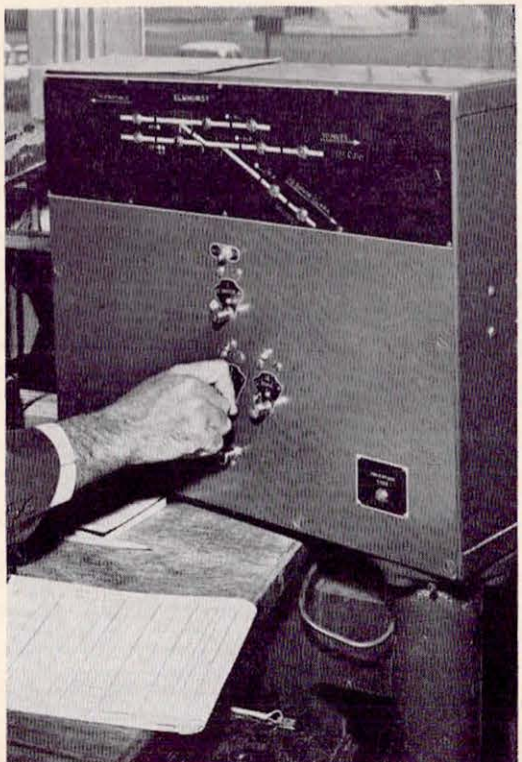
The power switch at the junction, and the controlled signals governing movements over it and the end of double track, are remotely controlled from a machine in the existing Fruitvale tower.

The control machine is the conventional type, with a track diagram and indication lamps. There is one switch lever and two signal levers, as well as a maintainer's call toggle switch and a code start button.

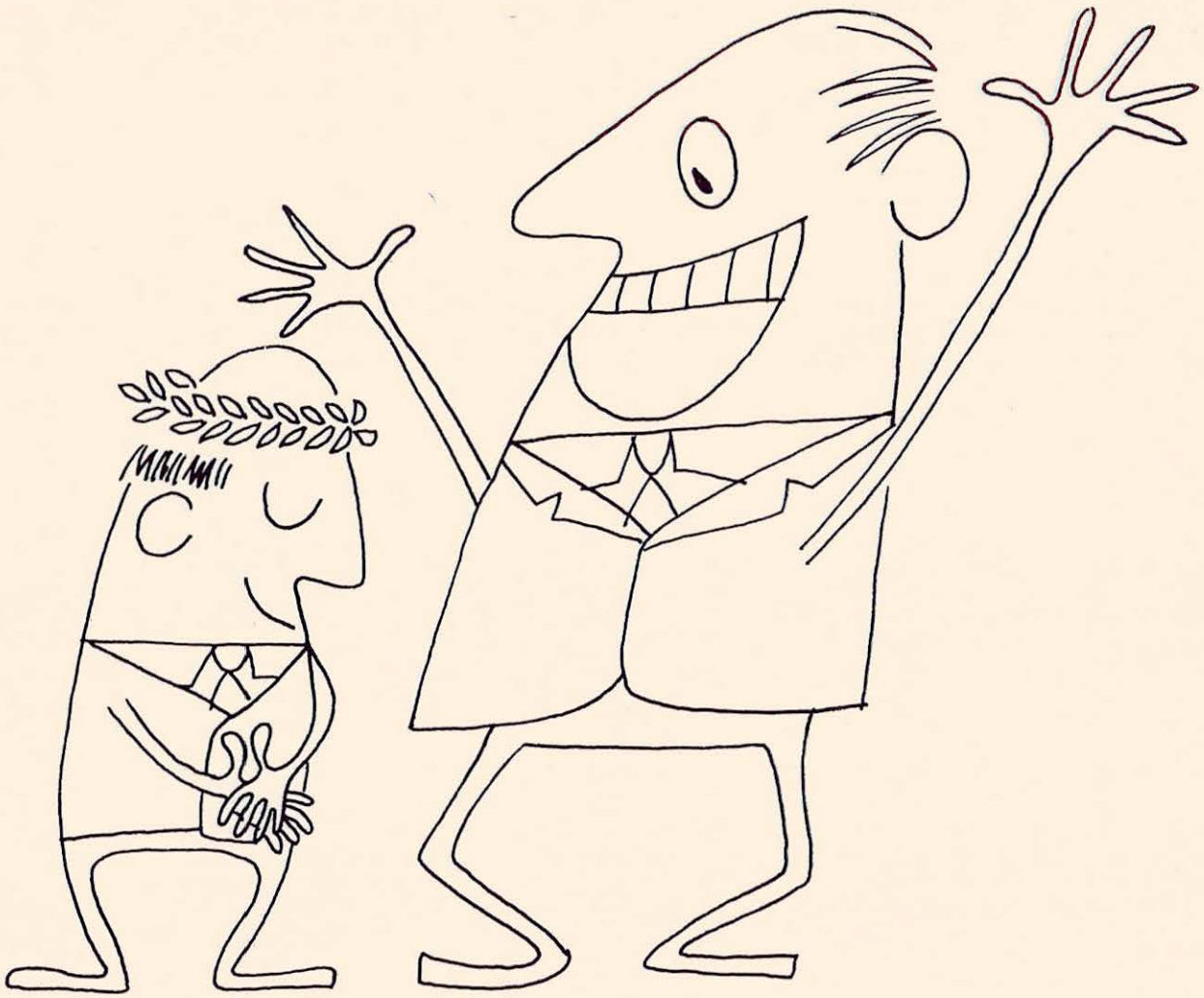
A Marc 051A solid state multiplex control system, made by Moore Associates, Inc., was used in this remote control interlocking installation. The master control station at Fruitvale consists of a Marc coder which scans the switch and signal levers, and transmits a serial pulse code over a tone derived channel to Elmhurst. At Elmhurst the pulse code signals are decoded and appropriate commands are executed (e.g. switch reverse, signal clear). Verification of the field condition of switches and signals is transmitted back over a duplicate multiplex system to Fruitvale, where the information is displayed on the control machine track diagram.



SOLID STATE DEVICE transmits and receives control and indication codes using time division multiplex principle.



ATTENDED TERMINAL represents interlocking control machine location at Fruitvale, and unattended terminal is at the field location.



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Strike Problem: Rust on Rails

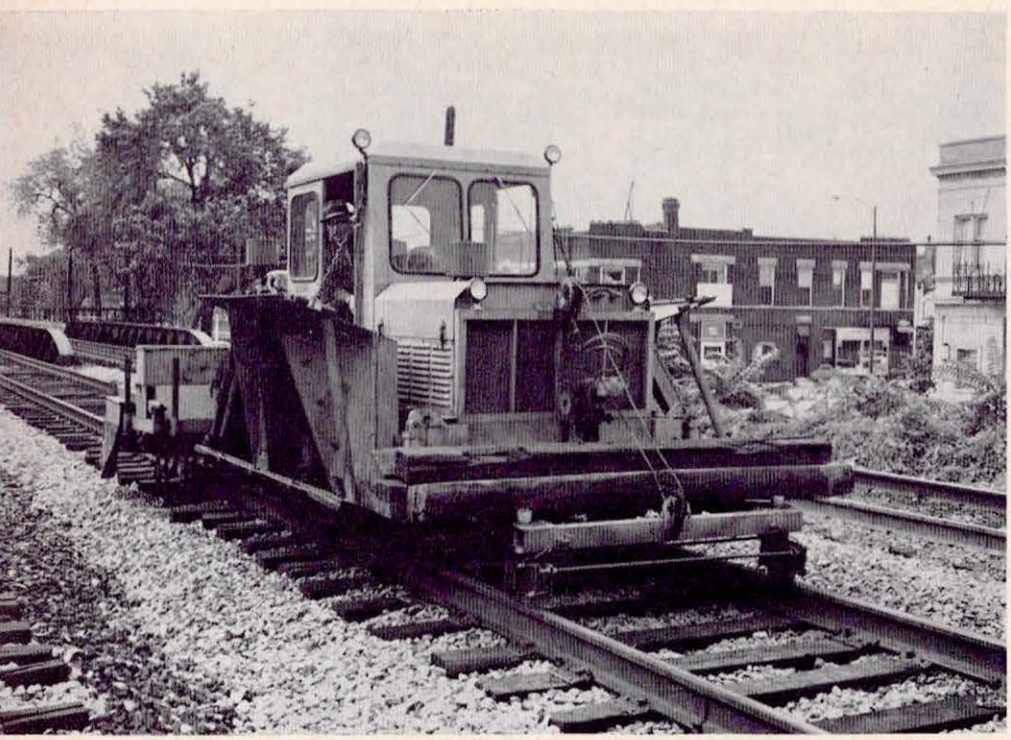
► **The Story at a Glance: When the trains stop running, rust quickly accumulates on the running surfaces of the rails, preventing proper functioning of automatic signals and protective devices at highway crossings. This was one of the problems that confronted engineering officers of the Chicago & North Western during the month-long strike of the Telegraphers. Methods were developed and put to use during the strike which proved effective in removing the rust in commuter territory, thereby permitting resumption of train services at speeds necessary to maintain regular schedules.**

What's a fast, economical way of removing rust from the running surfaces of rails on 375 miles of track? This question had to be faced and answered by top engineering officers of the Chicago & North Western while their railroad was idled for 32 days by the strike of the Order of Railway Telegraphers.

The railroad closed down Aug. 30. Before long Vice President and Chief Engineer B. R. Meyers and his staff became concerned over the accumulation of a rust layer on the running surfaces of rails on mainline tracks. In the interest of prompt restoration of service following settlement of the strike, it became imperative to find a method of removing enough rust to assure the proper functioning of signals and automatic crossing protection.

A number of test runs were made to find the answer. The first of these, on Sept. 19—21 days after the strike had started—was over a six-mile stretch of line between Chicago and Proviso. Two heavy diesel units, coupled together, had to make 18 one-way trips before signals and crossing protection devices functioned normally.

It was obvious that it would be impractical to remove the rust layer by the operation of multiple diesel units. Out on the line, it was reasoned, through train service could be resumed by operating freight trains at restricted speeds, and the passage of one or two long trains would doubtless be sufficient to assure proper functioning of signals and crossing indicators. In the Chicago commuter territory, however, restoration of service would require trains to immediately operate at normal speeds to maintain schedules. Thus, signals and crossing protection devices would have to be fully operative as soon as trains began to roll.



A KERSHAW BALLAST REGULATOR, equipped with carborundum blocks and wheels for scraping rust from rail surfaces, is shown as it moved over a section of Chicago & North Western track. The use of three regulators and three diesel-flat-car units for rust removal proved to be the answer to C&NW's signal operation problem.

Since the strike could end at any time, the problem of rust on commuter rails took on new urgency. And, once the rust was removed measures had to be taken to prevent its further accumulation.

Several methods of removing the rust layer were tried and found successful. One was the operation of flat cars with the wheels locked. This is how it worked:

Equipment consisted of two diesel units coupled to two condemned flat cars, one ahead and one behind. Wheels of the forward car were locked with hand brakes, and oil was spread on the rails for a short distance ahead of each wheel to promote the skidding action. The car was then pushed at a speed of about 15 mph over the rusted rails. When flat spots 4 to 5 in. long had been worn after 7 or 8 miles, the wheels were rotated a partial turn and locked again. With flat spots on the wheels, particular care was taken when moving the equipment through turnouts. For cleaning tracks in the reverse direction, wheels of the other flat car were locked.

The operation showed that generally a single pass of the flat cars was sufficient to remove enough rust to permit proper functioning of the signals and crossing protection. It was considered even more effective in removing rust than a 50-car freight train.

The operation of Kershaw Ballast Regulators fitted with carborundum blocks was also found to be an effective method of fighting the rust problem. The idea of using such equipment was conceived on Saturday, September 22, about three weeks after the strike had started, and tried the same day. When the test proved successful additional blocks were purchased to equip two more regulators. All three regulators were ready for operation the following Tuesday.

Using the regulators and three flat-car units, the nearly 375 miles of commuter track were quickly scraped free of rust. To prevent further rust accumulation pending resumption of regular service, a double diesel unit, followed by a Hy-Rail car to check on signals, operated over each main line track daily.

By Sept. 26, however, it had become apparent that the operation of the diesel units alone, while effective in most districts, was not adequate in some areas. A train consisting of two diesel units, 10 loaded hopper cars and a caboose was put into operation in these territories to correct the condition.

A special problem was presented by trackage in the Chicago passenger station and the complicated rail pattern in the approach to the station. This layout, controlled from a tower, involves numerous double-slip switches. All switches are power operated.

The flat-car units and regulators were considered unsuitable for use in rust-removal work in the station and adjacent trackage. It was decided to use diesel locomotives to ply back and forth over the tracks until proper shunting of the signals was assured on all routes leading into and out of the station. This required a supervisor in the tower to operate the switch machines as necessary when changing routes.

On Friday afternoon, Sept. 28, came the announcement that the strike had been settled and that commuter service would be restored Monday morning, October 1, 32 days after the road had been closed down.

Since rust-removal operations appeared to have been fully effective, the decision was made to immediately put commuter service on regular schedules. As it turned out, this vote of confidence was entirely justified. All signals and crossing protection devices functioned normally, according to V. S. Mitchell, signal engineer. Out of 53 Chicago-bound commuter trains on Monday morning, only four did not arrive on time. Of these, one was 4 min late, the longest delay reported on the first day of resumed operations.

Through freight trains also began to move almost immediately after the settlement was announced. Movements of these trains outside of suburban territory were subject to special instructions because of the rust accumulation on the rails. It was required that the first train operated from each terminal be a freight train or a light locomotive and that it be accompanied by either an operating, maintenance-of-way or signal officer who would check signals, highway crossing protection and, if necessary, interlockings and remote-control switches.

Instructions also required that the first freight train over Automatic Train Control or Automatic Train Stop territory be followed by a light locomotive to determine whether the safety devices on the following locomotive would be actuated. In other signal territories, trains were followed by supervisors in Hy-Rail cars to check signals.

Until it was known that all signals were operating normally, all trains did not exceed a speed of 30 mph. All trains approaching highway crossings protected by automatic devices were instructed to stop unless it was evident that protective devices were operating properly. If the signals were not operating, the train was required to stop and to proceed over the crossing under the protection of a flagman. At automatic interlockings, it was required that a positive stop be made at home signal regardless of signal indication. Providing no conflicting movement was in evidence, the train could then proceed over the crossing protected by a flagman.

On Thursday, October 4, the final step toward restoration of normal train service was taken—all through passenger trains went into service on regular schedules.

C&NW: Back to Work—On-Time

On-time performance was the rule—and there were hardly any exceptions—when Chicago & North Western came alive again after the ORT strike.

On the day operations were resumed, C&NW ran 161 suburban trains—and 158 were squarely on schedule. One train ran four minutes late, two were two minutes late (delayed by signals, not by equipment failure).

Key to the success story was a carefully executed motive power and equipment maintenance plan, worked out in meetings of supervisory personnel the day before the Telegraphers walked out. Road power was tied up where it could be used to greatest efficiency when the strike ended (84 units were held at Proviso, 82 at Chicago shops; others were scattered at such points as Green Bay, Minneapolis, Marshalltown, Huron, Chadron and Milwaukee). Diesels in suburban service were tied up at five points, grouped so that a few men could service many units.

All batteries were checked immediately after storage. Cooling water was not drained. Stacks were covered with plastic. Air box drains were opened and air lines between units were broken. Battery switches were pulled. Reversers and removable operating handles were locked up. Cab doors were locked or wired shut. Most locomotives were fueled when stored.

Batteries were checked again after three days. Those showing a reading below 1150 specific gravity were charged by running the engines.

All units were moved once a week to keep truck and main generator bearings freed up (engines were turned over by hand before they were started to make sure there were no leaks between water jacket and cylinders).

When maintenance forces got word the walkout was nearing an end, suburban units were put on their trains and electrical equipment—lights, heating, air conditioning—was checked thoroughly.

Passenger cars were stored and maintained with equal care. Suburban equipment, in particular, required almost no special servicing before being put back to work.

Perishable freight and most foreign-line freight cars under load were moved off C&NW. Maintenance on remaining cars was limited to routine oiling of friction bearings when the strike ended. First freight trains to roll received only the normal departure tests.

North Western had anticipated certain difficulties in picking up operations again after a month's idleness. To its delight, trouble was held to a minimum. The consensus: C&NW supervisors "did an outstanding job."

'Invite Controversy,' Rail Editors Urged

Railway company publications can make vital contributions in three areas of the industry's "battle for survival," transportation analyst Robert L. Banks told the American Railway Magazine Editors Association in Chicago last week. The editors' job: To offset propaganda which says the railroads are a dying industry; to counter distortions which may be advanced by competitors or by labor organizations; and to "provide ammunition for those railroad men who think."

Mr. Banks, president of R. L. Banks & Associates, told the editors that management can get needed support from employee publications only if "you are willing to try to persuade management to let you throw away the policies of the past and show that you can do a useful job in helping win some of these controversies. You can't do it in a passive way. You must invite controversy, print articles that would have been unthinkable a few years ago, open your pages to the opposition to show that you are unafraid because the truth is on your side, and then rebut fallacious arguments. Only by altering past practice in this way will the employee magazine deserve to survive."

The broader aspect—industry survival and growth—got a long look from John W. Ingram, director of cost and price analysis of the Southern; and W. W. Hay, professor of railway civil engineering at the University of Illinois.

Mr. Ingram noted a number of reasons why railroad growth stalled—price increases, a false assumption that transportation demand is inelastic, too much emphasis on cost-cutting, and too little stress on service. But he countered this with a prescription for future growth:

"To grow, we must change. We need aggressive, hard-hitting, hard-working people adaptable to change and willing to meet change. We need not be greedy but we must be determined to get all the business we are economically equipped to handle. We must move everything at a profit, move nothing at a loss and not move anything just for the sake of moving it."

Prof. Hay built a case for railroad growth on techno-economic grounds—and on the advantages railroads have over their competitors in such factors as propulsive resistance (the low friction of the steel wheel on the steel rail), deadload-to-payload comparisons, fuel consumption, productive capacity and average ton-mile costs. Only the waterways pose a threat in this area, he noted, and even they are "handicapped by lack of route flexibility, a handicap that will be even more noticeable if user charges are imposed on waterway operations."

Transport integration and railroad mergers also got a boost from Illinois' engineering professor. In any integration, he said, "railroads must play the major role. Their techno-economic characteristics commend them to the carrying of quantity shipments and bulk commodities, to the long and intermediate movement of all kinds of freight traffic and to the long-haul movement of merchandise and LCL in piggybacked trailers and containers. Other modes of transport will fall into their appropriate places. . . . Obviously the coordination and integration of these services will be performed more efficiently under the direction of a single management."

He hailed the merger principle because "efficient transportation requires a high load factor and [that] can be had only if duplicating and unnecessary facilities are retired. Mergers bring this about. By concentrating traffic on a few rail lines, a density of movement and revenue will come about that will justify and require that the line be developed and maintained to its highest technological potential."

Railroads, Prof. Hay concluded, lack flexibility only in terminal areas and LCL movements—but "this has largely been overcome by the development of piggyback and container services. A properly integrated transport system will include not only these but other coordinated efforts within the jurisdiction of one management with the railroads fulfilling their technological destiny as the central unit in the integrated system."

Among the other highlights of the ARMEA session:

- Presentation of the John Green Memorial Awards for editorial excellence—to the Illinois Central Magazine, effective use of editorials; the Pennsy, effective use of feature material; and C&O's Chessie News, editioral matter other than that developed for use in regular issues.
- Election of officers—President, Albert E. Brinkley, BL&E; first vice president, John W. Tilsch, Santa Fe; second vice president, Paul A. Blauvelt, LIRR; secretary, Charles F. Burrows, IC; and treasurer, Nora Wilson, Pullman-Standard.
- Presentation of a $1,000 check, first prize in ARMEA's loss and damage prevention slogan contest, to L. E. White, KCS yard clerk at Alexandria, La. His slogan: "Keep Freight on the Go—Handle Easy, Couple Slow (RA, Oct. 1, p. 35)."

Massachusetts Schedules Mass Transport Experiments

A year-long series of experiments will be staged in Massachusetts to determine the effects of service improvements and fare reductions on the public's use of all forms of mass transportation facilities.

The project, to be conducted by the Massachusetts Mass Transportation Commission, will cost $5.4 million—$3.6 million to be supplied by a federal grant and $1.8 million to be provided by the Commonwealth.

Studies will cover Boston, Fitchburg, Worcester and Pittsfield. Three railroads—Boston & Maine, New York Central and New Haven—will be involved, along with the publicly-owned Metropolitan Transit Authority and local bus companies. Details as to the amounts to be paid to the participating carriers haven't been worked out. Neither have precise plans regarding the proposed service improvements and fare cuts. But, it's indicated, the service aspect will include both new routes and increased peak-hour service on existing routes.

Experiments are to be completed within a year, and a report is due within another six months, according to the sponsors.

The Massachusetts project will be carried out under the Housing Act of 1961, which authorized loans and grants in the mass transportation field. Other grants have been made to the city of Detroit for a bus ridership survey and to the University of Washington for a study of the monorail system at the Seattle World's Fair.

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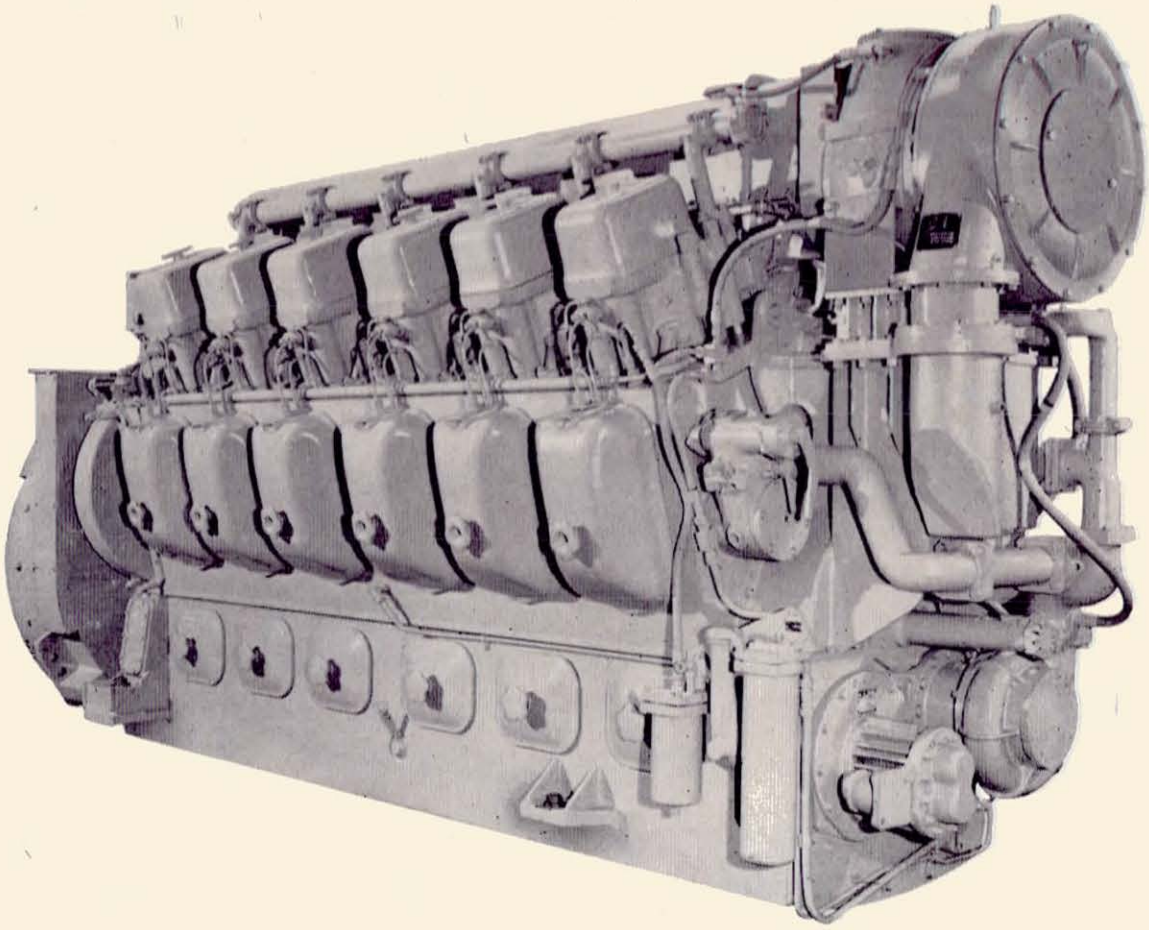

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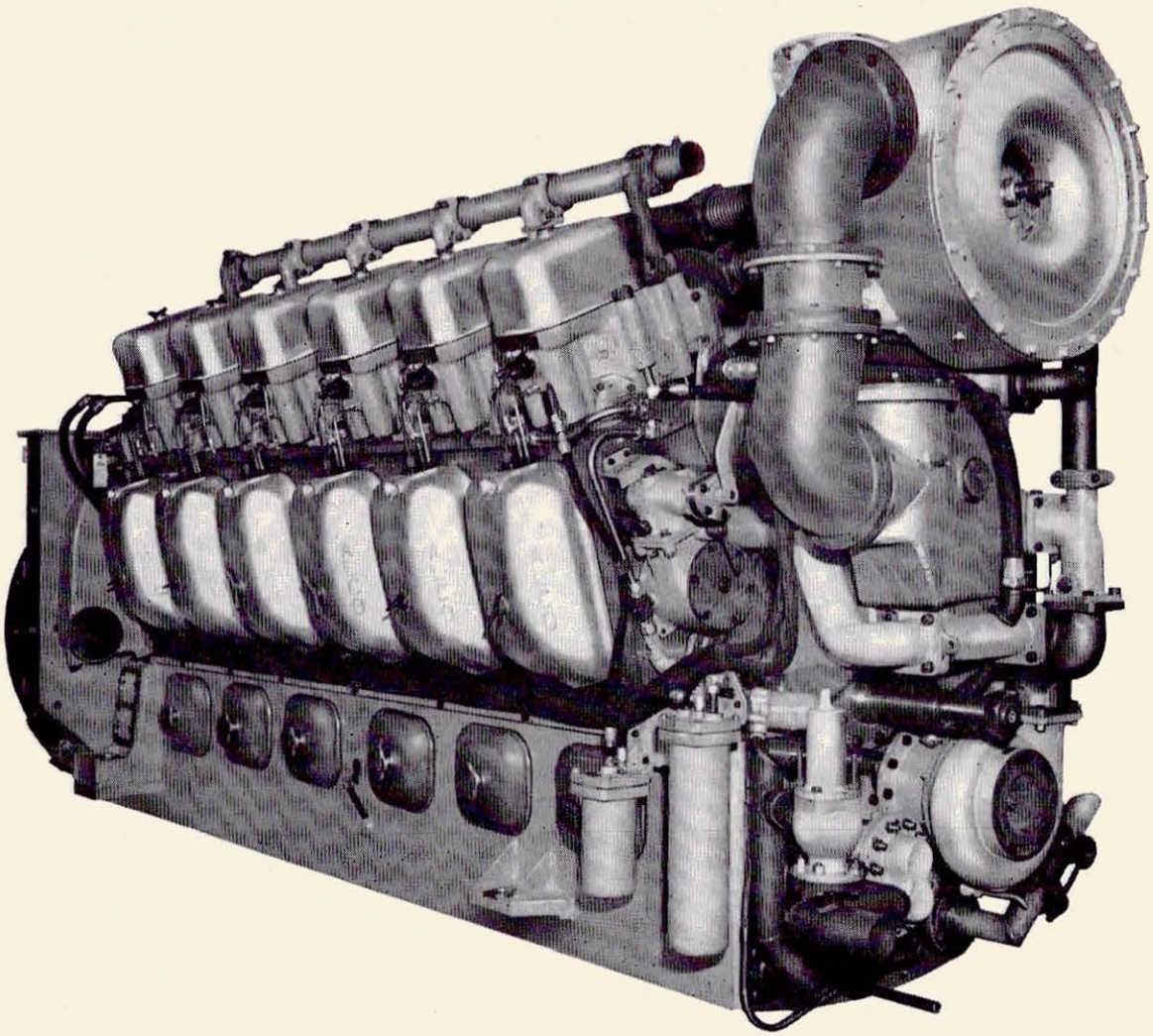

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*Indicates change may be applied in the field.

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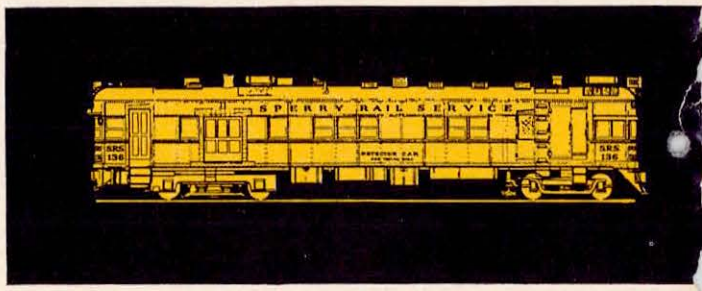

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Eastern Mergers: Single Proceeding?

Nine arguments in favor of merging the eastern merger cases and 11 opposition arguments will be heard by the ICC this week. That line-up was revealed by requests for time at the argument.

The New York Central, whose proposed merger with the Pennsylvania is now proceeding through its public-hearing stage in Washington, will favor consolidation of that proceeding with other eastern merger cases for decision. PRR's argument will be on the opposition side.

In addition to PRR-NYC, the cases involved are the Norfolk & Western application for authority to merge with Nickel Plate and lease the Wabash, and the Chesapeake & Ohio's application for authority to acquire control of the Baltimore & Ohio.

Three other railroads were scheduled to join Central as proponents of the simultaneous-decision idea. They are Delaware & Hudson; New York, Susquehanna & Western; and Boston & Maine. Other proponents listed on the argument program are the Railway Labor Executives' Association, the states of New York and Massachusetts, and the Port of New York Authority.

The 11 opponents will include seven railroads in addition to the PRR. They will be Nickel Plate, Erie-Lackawanna, N&W, C&O, B&O, Pittsburgh & West Virginia, and Akron, Canton & Youngstown. The three other opponents will be the Maryland Port Authority, National Coal Association, and the Property Owners' Committee, which is also a coal-industry group.

The argument on the merger-for-decision proposal will be part of the argument in the C&O-B&O case, where Commission approval of the acquisition has been recommended in a proposed report by Examiner John L. Bradford. The merits of the C&O-B&O proposal will be argued Oct. 23, the consolidation-of-cases question the following day.

The argument will interrupt hearings in the PRR-NYC case, which came to Washington again last week after having been in recess for about six weeks. Shipper and public witnesses are appearing at these hearings, which are scheduled to resume Oct. 25 and go on for a while.

The line-up called for presentations by more than 70 such witnesses in favor of the proposed merger.

A controversy over admissability of some of the shipper testimony culminated in a statement from Examiner J. K. Lyle, who said that "a shipper witness, unless he is qualified and has in fact made a study of the applications and the merger proposal, lends nothing to the record with general statements that the proposed merger would be in the public interest or that applicants will achieve substantial economies from merger." While the examiner conceded that such testimony may be received under the Administrative Procedure Act, he added that "at best its competency is suspect and it opens the door to a floodgate of cross-examination." Mr. Lyle went on to repeat an earlier ruling he had made that such statements would not be considered.

"As a user of applicants' service, however," the examiner continued, "each of these shipper representatives has an interest in the maintenance, preservation or betterment of applicants' services and their belief that a merger would bring about a better or cheaper service to them specifically is both relevant to the issues and at least competent in a legal sense, even though shippers' hopes are predicated on applicants' publicity releases. The soundness of such predictions may be readily tested on cross examination. For that reason such statements will be considered by the examiners."

As to so-called "gray-area" statements in which a shipper attributes prospective benefits to shippers generally, the statement will be considered only insofar as he speaks for himself, Examiner Lyle said. He added that the procedure he outlined must be acceptable to all parties—"or we will be forced to go over these statements one by one, since we do not want it inferred that we limited counsel's right to raise objections."

ASME Rail Group to Hear New York Transport Aide

Dr. William J. Ronan, chairman of the Tri-State [New Jersey-New York-Connecticut] Transportation Committee, will be guest speaker at the Railroad Division's luncheon, Nov. 29, during the Nov. 25-30 winter annual meeting of the American Society of Mechanical Engineers at New York's Statler Hilton Hotel. The Administration of New York Governor Nelson Rockefeller, in which Dr. Ronan serves, has been a pioneer in providing state assistance to commuter railroads.

A feature of the division's technical program will be a panel discussion on freight-car truck design on Thursday morning prior to the luncheon. W. M. Keller, vice president, AAR Research Department, will be moderator. Panel members are L. S. McGregor, chief of motive power and car equipment, Canadian National; C. A. Naffziger, director, Freight Loss and Damage Prevention Section, Freight Claim Division, AAR; and Carl E. Tack, vice president-engineering, American Steel Foundries, Inc.

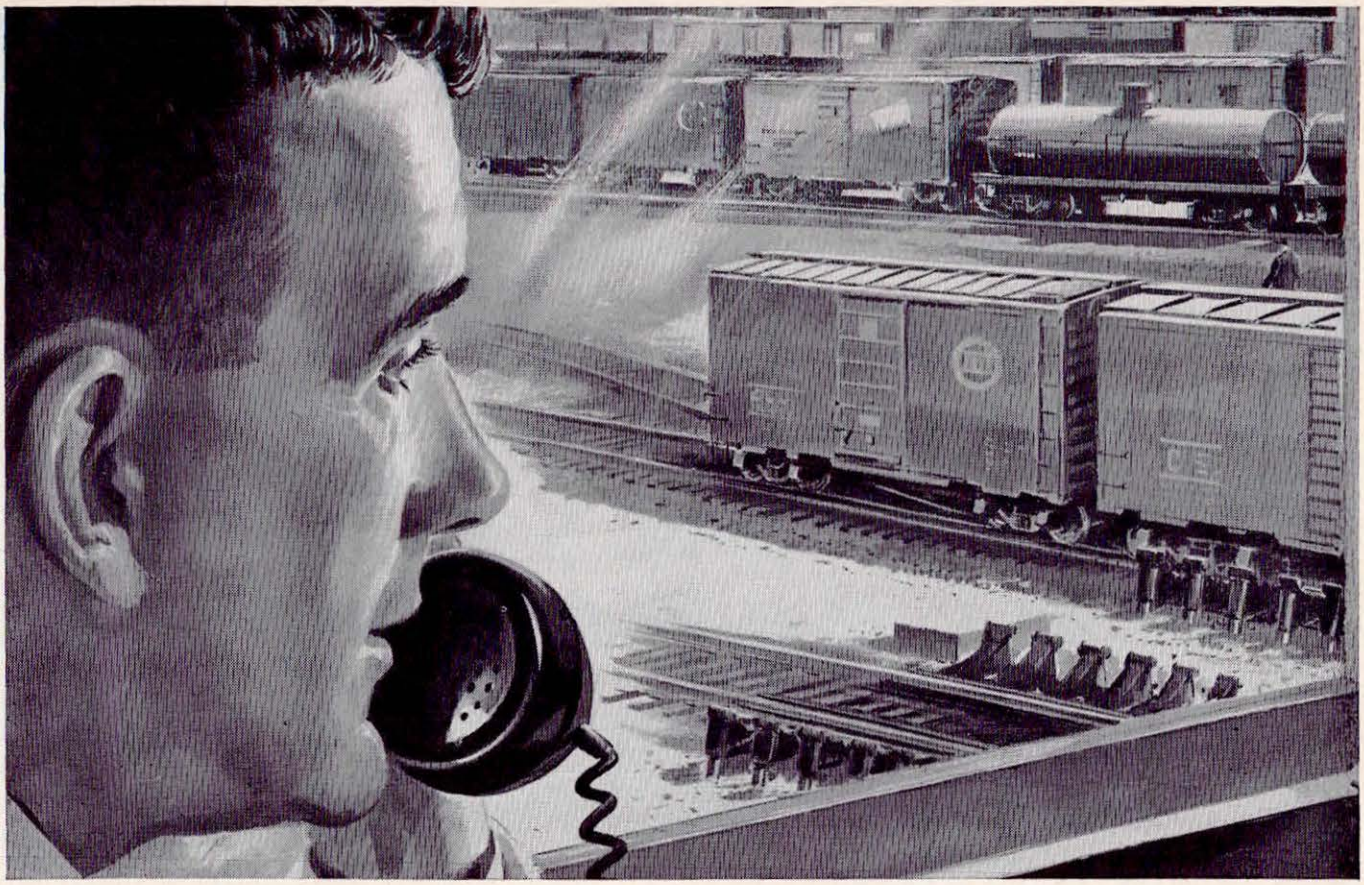
The complete program for the three Railroad Division sessions:

Wednesday, Nov. 28, 2:30 p.m.—Progress in Railway Mechanical Engineering 1961-1962; New Concepts in Freight-Car Brake Rigging, G. M. Cabble, senior staff engineer, Westinghouse Air Brake Co.; Outer Pedestal Leg of Narrow Pedestal Side Frame, Carl E. Tack, vice president, American Steel Foundries.

Thursday, Nov. 29, 9:30 a.m.—Panel discussion on Freight-Car Truck Design; 2:30 p.m., Use of Canadian Crudes in Locomotive Diesel Engines, H. U. Wisniowski, senior research officer, National Research Council of Canada; W. H. Cyr, chief mechanical engineer, Canadian National; C. W. Parker, chief mechanical engineer, Candian Pacific.

Diesel-Hydraulic Locomotives in Heavy Duty Freight Service, J. J. Schmidt, assistant director, research, Denver & Rio Grande Western.

Some Observations on the Adhesion Characteristics of Electric and Diesel-Electric Locomtives, D. R. Meier, Manager, Locomotive Product Planning & Marketing Research, Locomotive & Car Equipment Department, General Electric Company.



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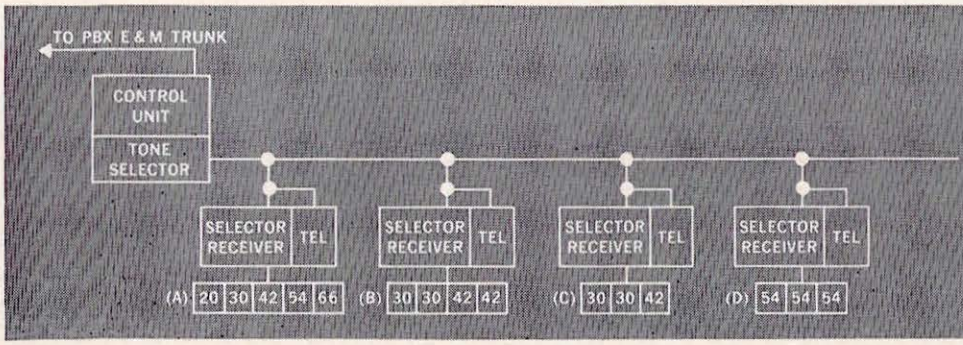
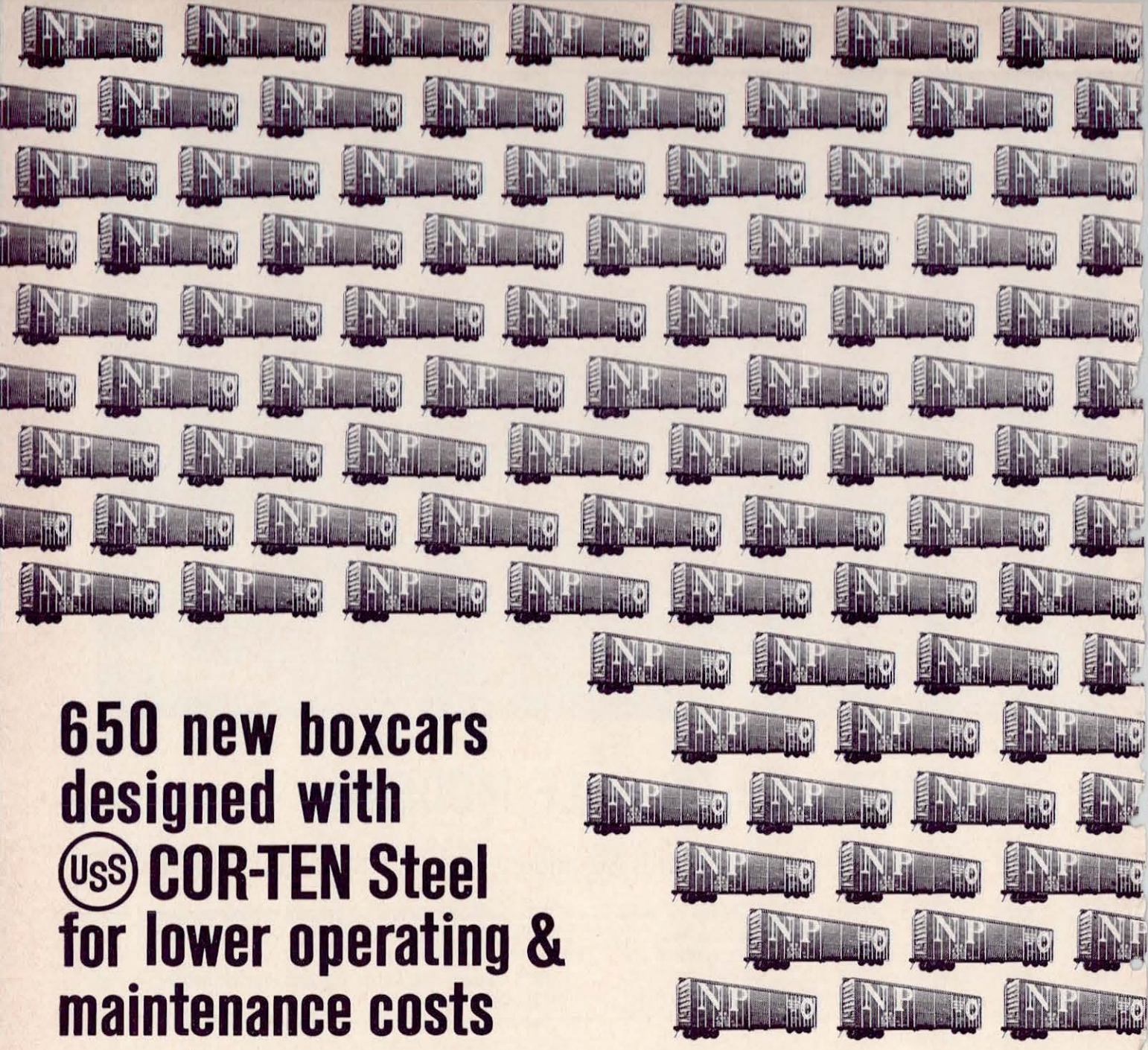


Diagram illustrates typical tone system, with 15 stations on a message line. A Stromberg-Carlson message circuit dialing system can accommodate a maximum of 60 stations.



650 new boxcars designed with USS COR-TEN Steel for lower operating & maintenance costs

Northern Pacific Railroad has completed building 650 of these boxcars largely from high-strength low-alloy steels.

Each of these 650 new Northern Pacific 50-ton boxcars will use about 7,300 pounds of USS COR-TEN High-Strength Low-Alloy Steel in the sides. COR-TEN Steel offers a yield strength of 50,000 pounds per square inch. It was selected for the sides because this strength combined with a superior resistance to atmospheric corrosion, impact, abrasion and fatigue meant lower operating and maintenance costs. This combination of qualities has made USS COR-TEN Steel the outstanding favorite for all types of railroad cars.

Since USS COR-TEN Steel was introduced in 1933, more than 300,000 COR-TEN railroad cars have been built lighter, or stronger and more durable. A great many of the original USS COR-TEN Steel cars are still in service. They are noted for their low overall cost and freedom from frequent maintenance.

Importance of high resistance to corrosion. With USS COR-TEN Steel, a tight oxide film forms on bare metal and does not flake off. The metal actually protects itself from further corrosion. This feature saves you far more money than it costs in the slightly higher price of the steel.

Extra paint life. A series of tests that ran for 8 years showed that various paints lasted up to 4 times as long on USS COR-TEN Steel as on carbon steel (iron oxide primer on hot rolled steel surfaces). This is due to the surface characteristics of COR-TEN Steel which help it hold a coat of paint longer.

Family of USS Steels. United States Steel now makes a complete family of structural steels with strengths ranging from the 32,000 psi minimum yield point of carbon steel to the 100,000 psi minimum yield strength of USS "T-1" and "T-1" type A Steels. Our staff of experienced metallurgists can help you make the best selections from the many steels available today. Write for complete information to United States Steel, 525 William Penn Place, Pittsburgh 30, Pa. USS, COR-TEN, MAN-TEN, TRI-TEN, EX-TEN and "T-1" are registered trademarks.

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and more are contemplated. USS COR-TEN Steel was selected for its added corrosion resistance and to impart greater durability to the cars.

Strength Spectrum of USS Structural Steels.*	Min. Yield Point, psi
A373 Structural Carbon Steel	32,000
A7 Structural Carbon Steel	33,000
A36 Structural Carbon Steel	36,000
A440 USS MAN-TEN High Strength Steel	50,000
A441 USS TRI-TEN High-Strength Low-Alloy Steel (weldability and toughness)	50,000
A242 USS COR-TEN High-Strength Low-Alloy Steel (atmospheric corrosion resistance, weldability and toughness)	50,000
USS EX-TEN 45, 50, 55, 60 High-Strength Low-Alloy Steel (best strength-to-cost ratio)	45,000-60,000
USS "T-1" and "T-1" type A Constructional Alloy Steels (Ultra-high strength, resistance to impact abrasion, atmospheric corrosion resistance, weldability)	100,000**

*For a given application, one of these steels is the most economical choice.
**Minimum yield strength.

USS United States Steel

This mark tells you a product is made of modern, dependable Steel.

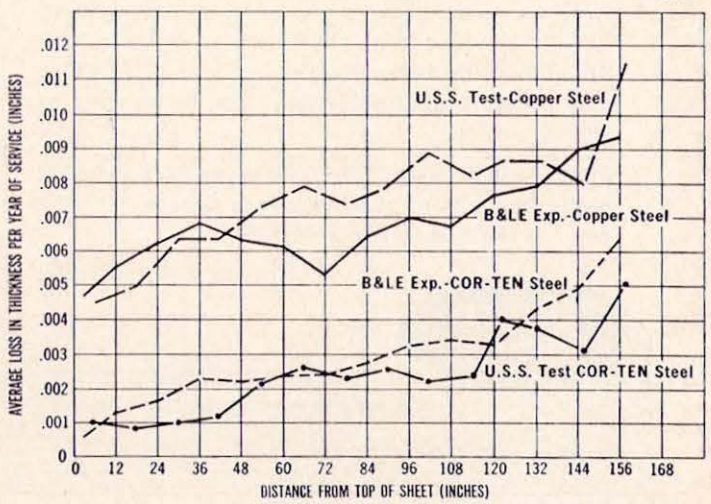

Chart shows superior resistance to atmospheric corrosion of USS COR-TEN Steel in comparison with copper steel in the bottoms of hopper cars in service for 12½ years.

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Because of its high paint-resistant qualities, stencils cut from *RESISTA-COTE* can be cleaned in half the normal time—or less. Effectively replaces and improves on oil stencil board and similar materials commonly used.

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Incremental Costs Seen As Best Rate Yardstick

In a 10-page article preprinted from the October 1962 issue of Journal of Business of the University of Chicago, and distributed by the Association of American Railroads, ten economists have set forth their views on the question of transportation pricing in relation to costs. The summary of their views is as follows:

"1. In the determination of cost floors as a guide to the pricing of particular railroad services, or the services of any other transport mode, incremental costs of each particular service are the only relevant costs.

"2. Rates for particular railroad services should be set at such amounts (subject to regulation of maximum rates and to legal rules against unjust discrimination) as will make the greatest total contribution to net income. Clearly, such maximizing rates would never fall below incremental costs.

"3. Pricing which is not restricted by any minimum other than incremental cost can foster more efficient use of railroad resources and capacity and can therefore encourage lower costs and rates. This same principle applies to other modes of transportation.

"4. The presence of large amounts of fixed costs and unused capacity in railroad facilities makes it especially important that railroad rates encourage a large volume of traffic.

"5. Reduced rates which more than cover incremental costs and are designed by management to maximize contribution to net income do not constitute proof of predatory competition.

"6. 'Fully distributed' costs derived by apportioning unallocable costs have no economic significance in determining rate floors for particular railroad services. The application of such a criterion would arbitrarily force the railroads to maintain rates above the level which would yield maximum contribution to net income and would deprive them of much traffic for which they can compete economically. For similar reasons, restrictions of railroad minimum rates according to the 'full cost of the low-cost carrier' is economically unsound."

Signatories to the article are: William J. Baumol, Burton N. Behling, James C. Bonbright, Yale Brozen, Joel Dean, Ford K. Edwards, Calvin B. Hoover, Dudley F. Pegrum, Merrill J. Roberts and Ernest W. Williams, Jr. They state that they agree in substance, among themselves, to the article as a whole and specifically with the conclusions summarized above.

L. E. OLSON
Assistant Director of Traffic
Great Lakes Carbon Corporation

"Railway Age articles on new types of equipment . . . improvements in freight service . . . are very helpful"

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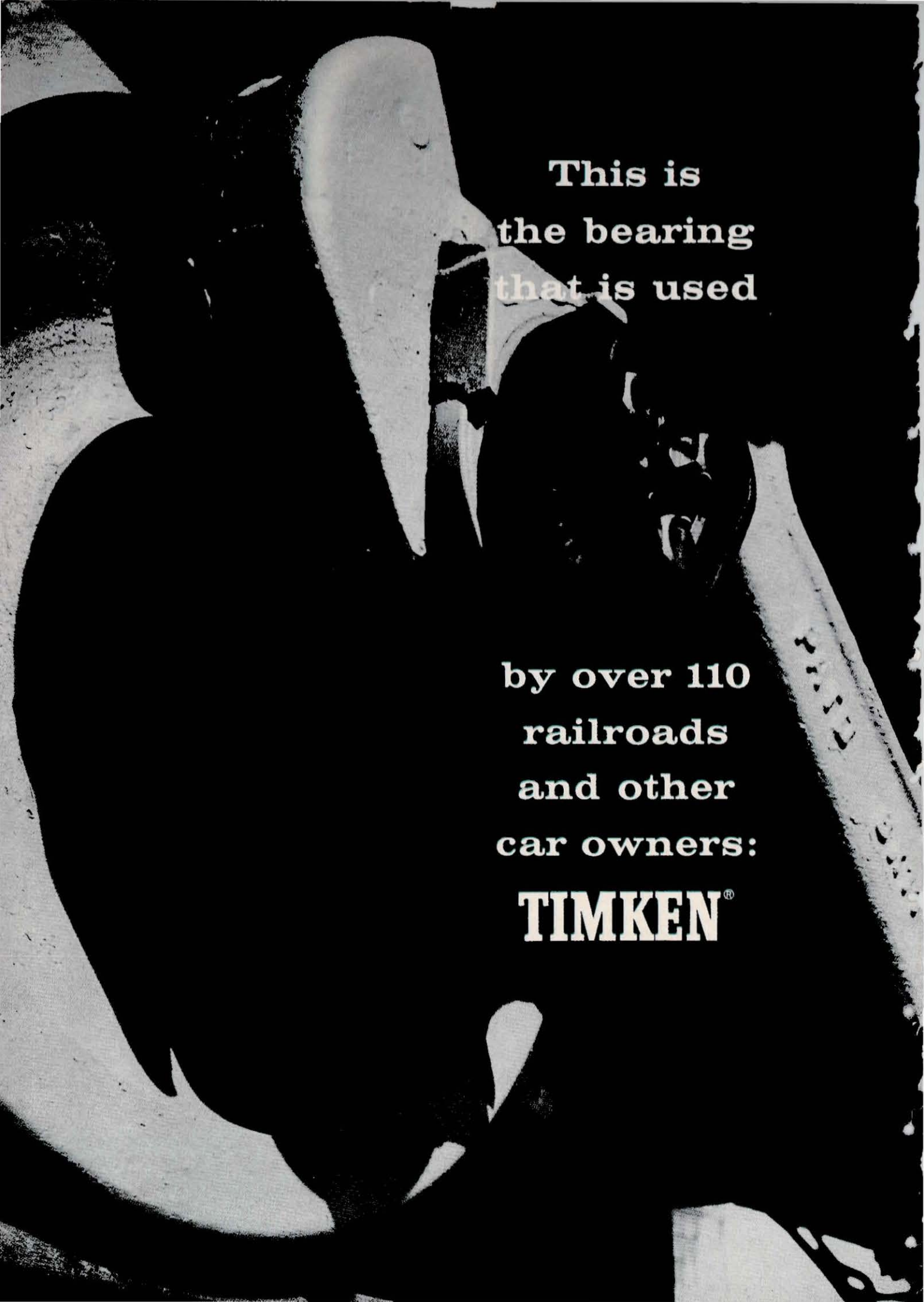
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RAILROADING AFTER HOURS WITH JIM LYNE

ALL ABOUT LONDON's COMMUTERS—Tom Taber, chairman of the Morris County (N.J.) Board of Public Transportation, has sent me a copy of his handsome illustrated brochure (60 pages), which describes the set-up for "Handling of London's Half-Million Daily Commuters by Railroad." The publication is the product of an on-the-ground examination made by Mr. Taber about a year ago. Its obvious purpose is to point out how well, relatively, London is handling its suburban transit problem, compared to the serious deterioration from which the author's own area is suffering in this respect.

Tom Taber is to railroad passenger service in North Jersey what Robert J. Swan is in the Los Angeles zone and Southworth Lancaster in metropolitan Boston. Here are non-railroaders who are dedicated advocates and explainers. They work tirelessly without any compensation, except the satisfaction they must get from acting as their consciences direct them.

THOSE 'LIFE-TIME JOBS'—Remember the days when it was not unusual, if a switchman lost a leg in the line of duty, to give him a "life-time job" as part of the claim department's settlement? The job might have been that of a crossing watchman, or some other one that wasn't too active. I recall a fellow who got one of these jobs for this reason—that of a bill clerk in a yard office. He took the "life-time" promise literally, considering himself exempt from customary discipline. As a result he gave most of his fellow-employees a real hard time—being far rougher on freight conductors (for instance) than the yardmaster ever was.

SYMPOSIUM ON RAILROAD FUTURE—Professor Marvin Fair of American University has sent me a copy of a 286-page mimeographed volume entitled "A Symposium on the Growing Railroad Crisis"—being some 20 papers by as many qualified speakers on different aspects of the current railroad situation. These were papers contributed to Professor Fair's "annual institute on railroad management"; and the participating students were divided into five committees, each of which presented a report recommending specific action by government, the public, shippers and people responsible for railroad-union relations.

The volume sells for $4.85 and looks as if it ought to be worth several times that price as educational literature.

Contributors include several railway executives who are making names for themselves by pioneering in the area of marketing and sales. Then there is A. F. Zimmerman of the B of LE, several "outside" traffic and financial experts, and such well-known counselors as Jervis Langdon, John Barriger, Tom Maguire, Walter Patchell and Daniel Loomis (Mr. Loomis being supported by some of his AAR colleagues).

RR STRIKES ARE DISASTERS—I have been reading Vol. III of the report of Canada's Royal Commission on Transportation. It recalls Canada's nine-day railroad strike in 1950 and observes that this strike "opened the door for an expansion of long-haul trucking that probably would have taken years to accomplish." Railroad unionists, no less than railroads themselves, need a better method than mutually destructive strikes for settling their differences. The real winner of most railroad strikes is, usually, Mr. Hoffa's union.

EXIT CHARLEY PATTERSON—With urban rail transit beleaguered as it is by heavily subsidized highway transportation, the loss of such a highly competent leader as Charley Patterson is no light blow. A seasoned railroad operating executive before he became head of New York's transit system, "Komissar" Patterson (as some of us used to like to call him, quite inappropriately) was succeeding admirably in improving equipment and service, increasing traffic volume and reducing the red ink. He carried over to a publicly owned property the kind of dynamic insistence on efficiency and high service standards that too seldom characterize governmental organizations.

He also got along well with the unions—not by being an easy mark, but by winning their respect. Charley was a big contribution by the line-haul railroads to the solution of urban transit problems—just as was the late Ralph Budd to a similar situation in Chicago.

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The reason so many railroads and private car owners are switching to "Roller Freight" with Timken® bearings is simply this. Performance! Precision-made from our own nickel-rich steel, Timken tapered roller bearings average over one hundred million car-miles between setouts due to overheated bearings. The lubrication cost for Timken bearings is a small fraction of that for friction bearings. And they are designed for easy train terminal inspection—just touch the adapter.

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Every year more and more railroads are winning new business with better, high-speed service on Timken bearings. Now is the time to switch your freight cars to Timken bearings. The Timken Roller Bearing Company, Canton 6, Ohio. Also makers of Fine Alloy Steel and Removable Rock Bits.

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Private Carriage Defended

Do-it-yourself transportation got the cheers and railroad rate-making proposals took the jeers as the Private Carrier Conference, American Trucking Associations, held its annual meeting in Chicago.

Henry E. Manker, president of the conference, launched a vigorous defense of the private carrier system. John J. Gill, ATA's chairman of the board, joined him—and at the same time lashed out against rail-backed moves to remove ICC minimum-rate regulation on bulk and agricultural commodities.

Private carriers, Mr. Manker declared, "are shippers intensely interested in the best, most economical method of transporting our goods and products. We must retain a choice between private and for-hire carriage. . . . We cannot bow to pressure from the for-hire transportation agencies. Private carriage truly is a yardstick by which the reasonableness of for-hire rates can be measured. It serves as a stabilizing influence. It prevents monopoly. It gives American business a revolutionary tool in its production and processing activities."

Conference President Manker was equally positive in condemning illegal operations in the so-called "gray area." Private carriers, he said, "cannot condone unlawful operations. Unlawful operations literally rob the for-hire certificated carriers of millions of tons of freight each year. Unlawful, bootleg trucking could conceivably result in legislation inimical to the bona fide, genuine private motor carrier."

Joseph E. Keller, conference general counsel, also defended private carriage and told the group that common carriers "are only dimly coming to understand that what they really object to in our transportation system is not the true private carrier but the illegal for-hire carrier. [Common carrier efforts] should be concentrated to eliminate illegal for-hire carriage."

ATA Chairman Gill trained his guns on the railroads—rapid-fire. Remove control over minimum rates, he said, and "I don't see how anyone could doubt what railroads would do. . . . I know what they would do to the single-

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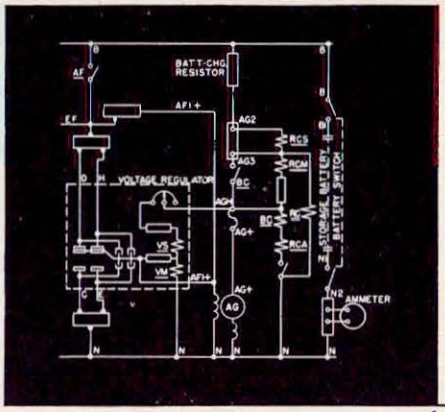
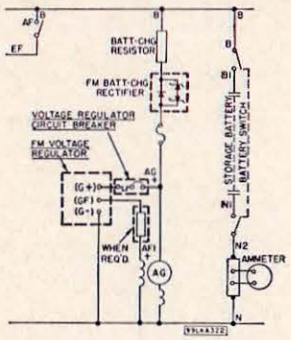


Before installation of FM Regulator-Rectifier Package



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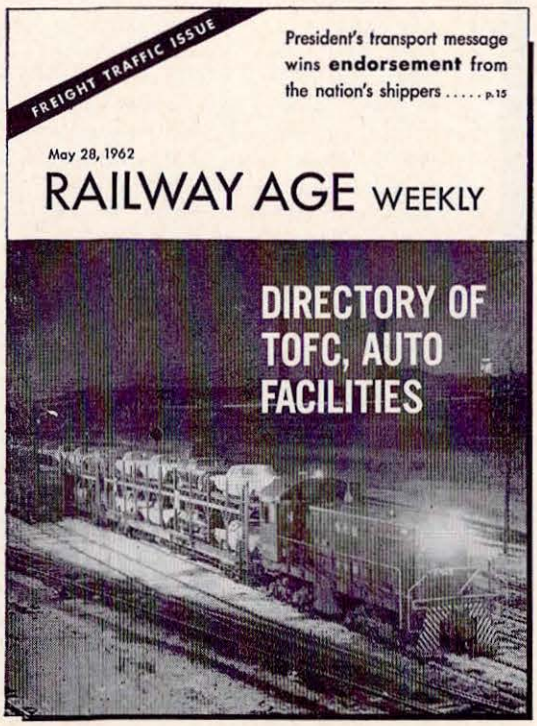
FREIGHT TRAFFIC ISSUE
President's transport message wins endorsement from the nation's shippers p.15
May 28, 1962
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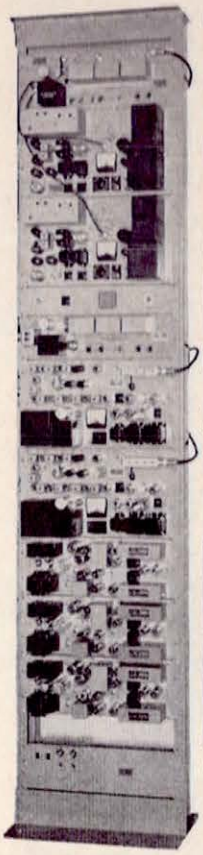
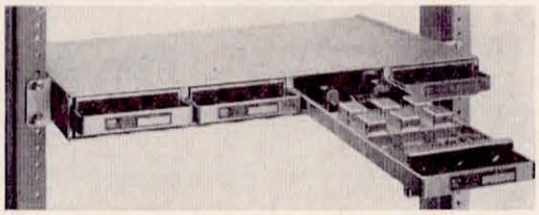


Budelman 2 KMC microwave links (left)—Type 14C radio terminals for gap fillers or multi-hop repeater trunk circuits provide economical, trouble-free, point-to-point low and medium density multiplex communications.

Budelman 960 MC radio links—Type 14B terminals for remote VHF base station control in thin-route multiplex radio systems and spur circuits.

Carrier-private line and multiparty—new Budelman Type PLC-DR (shown above) is the lowest-cost carrier; stackable channels provide private line service or two-party service with selective ringing. Multiparty carrier—Budelman Type 16C has ten stackable channels (10-200 kc) ; each provides a new line for fully selective ringing for up to ten additional outlets.



Voice frequency repeater—the Budelman 251A is a hybrid Type VFR. You get stable gain up to a maximum of 15 db. Complete with built-in signal bypass. Low power drain.

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commodity haulers in the for-hire field. They did it to the munitions carriers. They did it to the auto haulers.

"They will slash rates to get the business, even at a loss. . . .

"I think it should concern us that anyone in transportation, in the for-hire field, is trying to get a free hand to cut the ground from under competitors."

It's true, Mr. Gill noted, that "we've taken a position, traditionally, against unnecessary regulation in the transportation field. [But that] certainly can't be construed to mean we are in favor of deregulating all transport. We certainly are not."

Most private carriers, he continued, operate that way because they believe it's the best means of handling their transport problems. In many cases, the reason is economy. And "how do we judge private carriage to be more economical? By checking its costs to us against the stabilized rate patterns of for-hire transportation."

But, he said, suppose the railroads "pull the plug on ICC control of minimum rates, first on bulk and agricultural across the board then on the other 30% of rail traffic. You know what would happen if carriers made their own rates. If you think we have it tough now in working out the economics of transportation, you can imagine the chaos that will happen if there is no control over rates except at the top." He went on to say:

"The railroads, in pushing the deregulation proposals in the Congress, have had a downhill pull in a way. They talk about 'more freedom,' about 'letting the railroads compete' and so on. This sounds very good, enough to stir a Yankee's heart. But I don't want any railroad—or for-hire trucking line—to have what it calls 'freedom,' if what this means is official permission to knock me out as a carrier."

The situation, Mr. Gill concluded, is really simple: "Any of us who does his own hauling, hauling which could be done by a for-hire carrier, is working against the background of that for-hire carrier's rates and services. We operate under that structure as an umbrella. We operate only because we honestly believe we can beat for-hire service or rates or both.

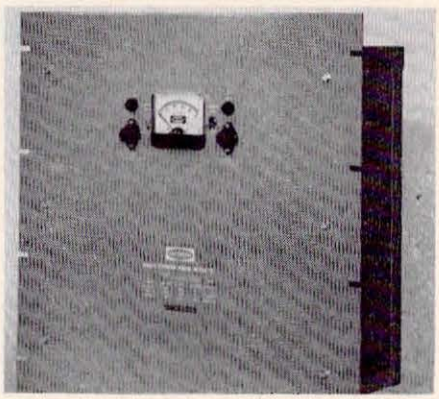
"Now, when somebody starts tinkering, on an unsound basis, with that superstructure which has left room for us to do a satisfactory job for our companies, then our umbrella begins to leak. It could disappear.

"The existence of a steady-going—and that means regulated—for-hire carrier system is very necessary to us. A stable rate system along with it is essential to a healthy private carrier operation."

NEW PRODUCTS REPORT (Continued on next page)

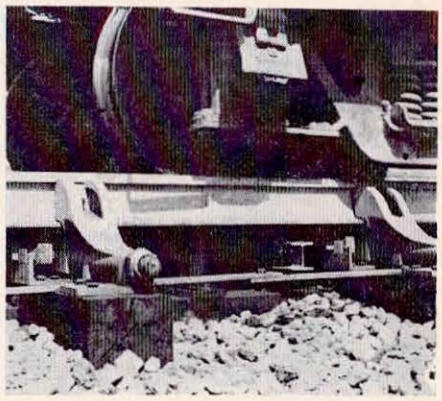
Test Panel (RA-1)

A new modular test panel for checking operation and adjustment of the Servosafe hotbox detector plugs into the accessory compartment of the detector system's wayside data processing unit (the instrument housing the electronic components which process journal heat data received from the detector's associated infrared trackside scanners). Function of the test panel is to supply AC and pulse-type signals to the pulse processors in the data processing unit. The pulse processors are low-frequency amplifiers which raise the low-level signals from the scanners to a power level sufficient to drive the galvanometer pens of the hotbox recorder unit. The test panel allows a continuous check to be made of amplifier gain and pulse performance during idle periods. It also contains a peak-reading meter indicator calibrated in mm to correspond with the recorder deflection. Used in conjunction with the Servotherm function generator, the test panel allows all functions of hotbox detector field equipment to be readily checked. *Servo Corp. of America.*



Telephone Power (RA-2)

A power supply designed for small telephone and intercommunication switchboards combines a battery eliminator with a ringing generator and tone generator. Output of the solid-state unit is 51.6 volts DC at 6 amp, with a maximum ripple of 30 mv. Its ringing generator is rated at 80 to 125 volts RMS at 20 cps and 7.5 watts with a superimposed reverting tone. The tone generator is rated at 0.25 to 9 volts RMS and 600/120 cps and 25 mw. *Raytheon Co.*



Retarder (RA-3)

With the "on-off" feature added to the model 40 inert car retarder, cars can be removed from the retarder without wear on brake shoe rails. This permits opening the retarder to allow locomotives, or trains, to pass through the retarder without any retardation. If it is desired, cars can be stopped on grade by the retarder, and with the "on-off" feature the retarder can be opened to permit a car, or cars, to be released to travel by gravity to their destination. *Union Switch & Signal.*

Switching System (RA-4)

A 4-wire switching system provides high quality transmission for long-distance calls over privately-owned railroad telephone systems. The directional 4-wire system separates the transmit and receive paths by using only two hybrid balancing networks—one at the originating office, the other at the terminating office. This results in good volume amplification, with echo, singing, crosstalk and noise substantially reduced. The 4-wire system is compatible with any existing railroad system. *Automatic Electric Sales Corp.*

Electronic Watch (RA-5)

The Accutron electronic wrist watch uses a vibrating tuning fork, a microminiaturized indexing mechanism, and a transistorized electronic circuit. In the Accutron timepiece there are 12 moving parts (mostly in the hand-moving wheel train), compared with 19 in a manually wound watch and 26 in a self-winding movement. Bulova is guaranteeing Accutron specifically not to gain or lose more than a minute per month in actual use. *Bulova Watch Co.*

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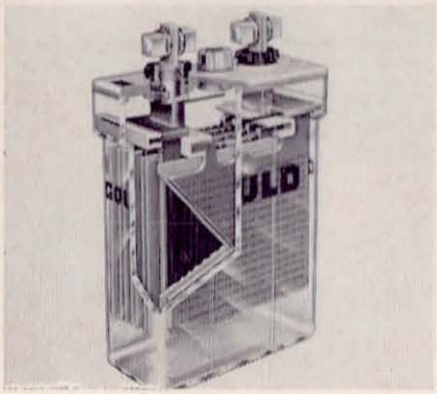
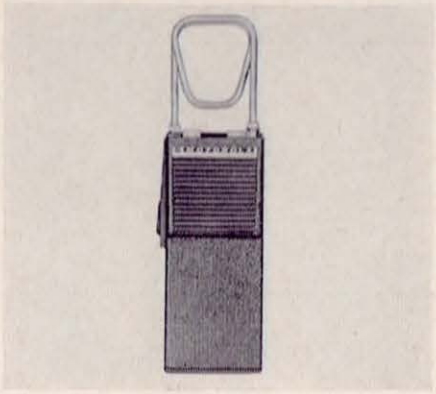
NEW PRODUCTS REPORT (Continued from preceding page)



Stationary Cells (RA-6)

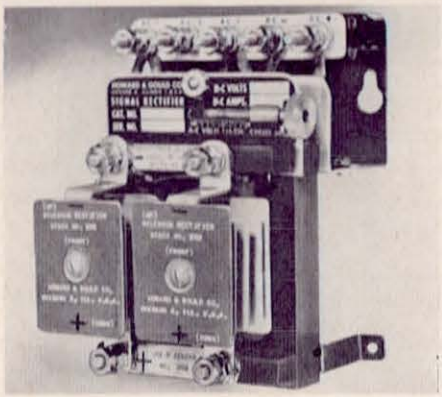
Gould Plante stationary cells in Plastrite jars are available in capacities of 8 ah to 24 ah and 40 ah to 960 ah. The new Plastrite jars save 30—40% floor space and are lightweight. The new Plante solid lead posts have a high ratio of contact of post to the connector, assuring full current carrying capacity with maximum voltage from cell to cell at all times. The leakproof post seal defies electrolyte seepage and reduces corrosion. A large acid-proof ring fits into the post hole in the cover; then the O-Ring is inserted, followed by a lead washer. The hard rubber unit is then tightened against the O-Ring which causes it to expand, forcing it against the cover walls and sealing the post against any possible seepage.

Cover breakage due to the weight of the battery elements is eliminated. A molded ledge on each end of the jar supports all element weight. An extruded U-shaped plastic unit extends across each ledge which firmly holds a lead strap to which the plates are "burned" into a one-piece unit. *Gould-National Batteries, Inc.*



Portable Radio (RA-7)

A fully transistorized portable FM two-way radio weighs only 33 oz. Designed for operation on both VHF high band (136-174 mc) and VHF low band (25-54 mc) frequencies, the new radio provides 1.4 watts RF power output while receiver sensitivity is 0.5 microvolts in high band units and 0.35 microvolts in low band models. To operate, users simply press a pivoted push-to-talk lever to transmit messages and release it to receive calls. Separate on-off volume and squelch controls are provided. The unit has ½ watt of audio output. It has its own speaker, microphone, antenna and batteries and measures 3⅛ in. by 8 in. by 1⅝ in. Three antennas can be used: a flexible steel whip, a collapsible whip and a small rigid loop antenna. The new radio is powered directly by a single mercury cell or a rechargeable nickel cadmium battery. The nickel cadmium battery provides 8 hours operation per charge. The mercury cell lasts up to 60 hours, on the basis of a 10% transmit, 10% receive, 80% standby duty cycle. *Motorola, Inc.*



Signal Rectifier (RA-8)

A new style of signal rectifier differs from the conventional form of signal rectifier in that the selenium rectifying portion is mounted on the face of the unit instead of permanently assembled and wired in an enclosure at the back of the transformer. Line terminals, markings and name plate face forward for convenience in wiring and checking. This rectifier is 5½ in. wide, 7 in. high, with the depth depending upon the rectifier rating. All parts may be checked quickly at the location and an element changed out if necessary in case of damage, without disconnecting or removing the entire unit from its mounting.

The rectifying elements (sometimes known as stacks) are provided with locking-type mounting brackets, which also serve to make connections with the AAR standard signal binding post studs conveniently arranged for mounting the stacks.

Standard sizes and ratings are available to meet all requirements for support of primary cells and charging storage batteries. *Howard & Gould Co.*

Fireproof Tape (RA-9)

A new arc and fire protection tape for prevention of damage to electrical and communications cables in manholes, cable trays, etc., is called Irvington brand arc-proofing tape No. 7700. It is made of a lightweight, heat-resistant organic fabric coated on each side with a specially formulated flame retardant elastomer. No. 7700 arc-proofing tape, wrapped over a 3-in. lead sheath, withstood an 18,000-deg-F flame for 22 seconds. *Irvington Division, Minnesota Mining & Mfg. Co.*

Track Circuit (RA-10)

High-frequency track circuit equipment has been developed which provides a communicating link for transmitting many pieces of information, via the rails, to motive power units and wayside apparatus. The high-frequency track circuit provides all the characteristics of a conventional track circuit and, in addition, can eliminate many insulated joints and their associated wiring. It can also be superimposed on existing AC and DC track circuits without causing interference. The circuit has a capacity of 15 messages or codes, plus a carrier on or off indication. Separate carrier frequencies are available which permit operation of two or more track circuits without mutual interference. Carrier frequencies at 0.9 kc and 1.3 kc are used for track circuits up to 5,000-ft in length; carrier frequencies at 1.7 kc and 2.3 kc for track circuits up to 3,000-ft in length. The equipment operates on 10 to 12 volts DC. Maximum power required is 20 watts when the carrier transmitter is delivering maximum shunt current. *General Railway Signal Co.*

Market Outlook

Carloadings Rise 2.0% Above Previous Week's

Loadings of revenue freight in the week ended Oct. 13 totaled 606,778 cars, the Association of American Railroads announced on Oct. 18. This was an increase of 12,056 cars, or 2.0%, compared with the previous week; a decrease of 35,377 cars, or 5.5%, compared with the corresponding week last year; and a decrease of 46,499 cars, or 7.1%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, October 13

District	1962	1961	1960
Eastern	82,206	87,283	92,204
Allegheny	91,642	105,121	105,543
Pocahontas	53,164	57,130	53,090
Southern	115,266	116,561	116,697
Northwestern	92,394	98,433	104,291
Central Western	129,779	133,498	135,733
Southwestern	42,327	43,589	45,719
Total Western Districts	264,500	275,520	285,743
Total All Roads	606,778	642,155	653,277
Commodities:			
Grain and grain products	57,198	61,834	69,097
Livestock	9,101	8,702	10,561
Coal	111,449	114,923	110,827
Coke	6,152	8,198	6,284
Forest Products	37,229	39,277	38,370
Ore	37,635	50,844	50,846
Merchandise l.c.l.	22,409	27,732	35,694
Miscellaneous	325,605	330,645	331,598
October 13	606,778	642,155	653,277
October 6	594,722	639,784	645,986
September 29	596,862	637,294	632,227
September 22	592,154	605,842	617,673
September 15	586,626	596,029	598,741
Cumulative total, 41 weeks	22,769,406	22,366,343	24,579,257

PIGGYBACK CARLOADINGS.— U. S. piggyback loadings for the week ended Oct. 6 totaled 15,212 cars, compared with 13,088 for the corresponding 1961 week. Loadings for 1962 up to Oct. 6 totaled 537,642 cars, compared with 446,107 for the corresponding period of 1961.

IN CANADA. — Carloadings for the nine-day period ended Sept. 30 totaled 86,499 cars, compared with 76,671 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Sept. 30, 1962	86,499	28,278
Sept. 30, 1961	96,999	29,533
Cumulative Totals		
Sept. 30, 1962	2,668,605	895,106
Sept. 30, 1961	2,602,319	911,037

New Equipment

FREIGHT-TRAIN CARS

► *Illinois Central.*—Has programmed for its Centralia, Ill., shops, beginning mid-November, construction of 200 50-foot, 50-ton box cars equipped with Sparton Easy Loaders.

► *Pittsburgh & Lake Erie.*—Ordered 100 70-ton box cars from Despatch Shops in East Rochester, N.Y. Delivery of the cars will begin in late October and continue through December. The total order comes to $1,545,000.

► *Wabash.*—Subsidiary, Wabash Motor Transit Co., ordered 28 tri-level and 17 bi-level auto racks from Whitehead and Kales at a cost of approximately $300,000. Delivery is scheduled for late October.

PIGGYBACK

► *Atlantic Coast Line.*—Placed the following orders for piggyback equipment: 100 semi-insulated, ventilated, 40-ft trailers from Miller Trailers, Bradenton, Fla.; 30 high-cube, 40-ft trailers from Great Dane, Savannah, Ga.; and 20 20-ft containers from Strick, Philadelphia.

► *Southern.*—Will order 500 40-ft containers and 509 40-ft truck chassis for use in piggyback service. Estimated cost: $3.5 million.

LOCOMOTIVES

► *Apache Railway.*—Purchased three 1,800-hp diesel-electric locomotives from Alco at a cost of more than $500,000. The Apache Railway Co. is owned by Southwest Forest Industries of Phoenix, Ariz.

► *Pennsylvania.*—Ordered 15 2,400-hp diesel-electric locomotives from Alco at a cost of approximately $3,600,000.

Purchases & Inventories

► *Seven Months' Purchases Up 12.3%.*—Purchases by domestic railroads of fuel, material and supplies in this year's first seven months were $91,642,000, or 12.3%, higher than in the comparable 1961 period. Purchase and inventory estimates in following tables were prepared by Railway Age.

*PURCHASES**	*July 1962*	*Seven Months 1962*	*Seven Months 1961*
	(000)	*(000)*	*(000)*
Rail	$ 3,778	$ 32,221	$ 19,718
Crossties	3,064	24,236	19,169
Other Material	84,024	577,866	493,737
Fuel	29,904	204,106	214,163
Total	$120,770	$838,429	$746,787

*Subject to revision.

INVENTORIES†*	*July 1, 1962*	*July 1, 1961*
	(000)	*(000)*
Rail	$ 47,936	$ 46,930
Crossties	65,547	76,623
Other Material	342,291	360,458
Scrap	25,889	23,839
Fuel	19,883	19,972
Total	$501,546	$527,822

*Subject to revision.

† All total inventory figures taken from ICC statement Q-125 for month indicated.

Tired of 'Excuses,' Shippers

► **The Story at a Glance: Strong criticism of railroads for failure to "give the customer what he wants" dominated the 26th annual meeting of the National Association of Shippers Advisory Boards at Chicago, Oct. 16-18. The shippers objected to being given "rail problems" as answers to why service and equipment are not satisfactory. They hinted that they do not blame all roads equally, but suggested that some railroads are carrying others "on their backs" because of unequal equipment purchases and service facilities.**

The shippers did some tough talking to railroads in Chicago last week.

NASAB members heard AAR President Daniel P. Loomis describe next year as the "year of decision" for solving many problems that confront the industry—but they went ahead and adopted committee reports that sharply criticized railroad handling of problems ranging from equipment bad order ratios and rising loss and damage figures to the shrinking car fleet, dirty equipment and the lessening of LCL capacity. NASAB said, in effect, that it's up to the railroads to give their customers what they want, no matter what problems beset the industry.

The shippers were in no mood for excuses. They made it plain—in corridor conversations, in meetings, and, most importantly, in resolutions and in committee reports approved by NASAB's hundreds of members—that they want solutions. One shipper put it bluntly: "If railroads cannot give my company what we need, we'll get it somewhere else."

NASAB President L. E. Olson, assistant traffic director, Great Lakes Carbon Corp., said: "We cannot ignore the pressures upon the railroads. We know their problems and we, the Shippers Advisory Boards, are concerned. Most of our companies, for instance, would probably go out of business without railroads, even though most of us use a great many other modes of transportation. But we're simply at a point where these problems are threatening to make a shambles of transportation by rail."

P. G. Jefferson, general traffic manager of Fairbanks, Morse & Co., who gave a committee report on loss and damage, called the L&D story "embarrassing, from the standpoint of all the work put in over the years." He noted that "the L&D bill this year is 5.7% ahead of last year's terrible showing of $117.5 million. Year after year 65% to 67% of the L&D bill is unlocated—the cause, that is, cannot be pinpointed. Why? Because railroads do not get proper reports from receivers of condition of equipment upon arrival and because no proper investigation is made by railroads. Too often they just waive and pay the claim—or compromise—because they hate to lose a customer."

Mr. Jefferson sited as a prime L&D factor the poor condition and inadequacy of equipment. "Railroads continue to handle shipments rough over the road and in switching. Shippers often have to rebuild cars at their own expense before they can ship their products." He complained about the treatment of special equipment and the failure to replace integral parts. "There is no sense in having special equipment unless it is delivered to the shipper intact. Many times I've seen hundreds of pieces from such cars lying around on shipping docks." Mr. Jefferson conceded that shipper inattention with regard to packaging, loading practices, bracing and blocking, and leveling stopover loads were also factors in the L&D picture, but he added: "It's up to the railroads to run their organizations. They've got to equip properly to get results or get out of the transportation business."

Not all railroads, he said, are guilty. "Some roads are doing a terrific job—and other roads are taking advantage of it. The across-the-board failure of some major railroads and many smaller railroads to shoulder their part of the service and equipment load is what makes all railroads look bad. Consolidation is obviously a must for improvement."

Money in LCL?

R. W. Buck, traffic manager of Stearns & Foster Co. of Lockland, Ohio, reported on LCL activity. "There is money in LCL if volume can be built up by imaginative marketing on the part of the railroads," he said. He mentioned the difficulty of getting a satisfactory LCL program with the eastern roads.

NASAB resolved to press for establishment of a single-agency plan by railroads without consideration of parcel post, to provide an economical LCL service. (Action was taken some years ago on a similar proposal, but the AAR found it to be not feasible because of parcel post and REA Express.) The present proposal does not preclude REA Express participation in new LCL plans.

Darrell H. Smith, Jr., general traffic manager of the International Salt Co. at Clarks Summit, Pa., reported on the car situation. "Overall, the equipment situation has shown no sign of improvement," he said. "Longer and fewer trains are not helping the railroad cause. I am not at all encouraged by the equipment situation today."

In other action, NASAB:

- Called for repeal of ICC car service order No. 939 (originally written to aid owner roads in getting back their equipment faster).
- Failed to take a stand on minimum-rate legislation because there was not "sufficient study made of the bill's effects on shipper's interests."
- Recommended that railroads and shippers continue their clean car program in 1963.
- Recommended that railroads and shippers discuss rubber dunnage, and that railroads participate in handling, especially in return movements.

New Head of NASAB: R. J. Tyler

R. J. Tyler, of Louisville, Ky., general traffic manager of the Tube Turns and Girdler Division of Chemetron Corp., was elected president of NASAB at last week's Chicago meeting. Darrell H. Smith, Jr., of Parks Summit, Pa., general traffic manager of International Salt Co., was named vice president; Avery M. Cloninger, of Longview, Wash., general traffic manager of the Longview Fibre Co., second vice president; and Dwight L. Koerber, of Pittsburgh, Pa., executive secretary of the Coal Association of Northern West Virginia, Ohio and Western Pennsylvania, as secretary.

Next year's meeting of NASAB will be held Oct. 14-16 in Chicago.

Talk Tough

Addressing NASAB on Oct. 18, AAR President Loomis acknowledged the many problems besetting the industry but cited a long list of major objectives that may be achieved in the year 1963.

He said that long-sought freedom to adjust rates downward, to compete with unregulated carriers and with carriers of exempt commodities, might very well come next year. This freedom, he said, would go a long way toward restoring traffic to the modes that can most economically handle it.

He said emphatically that 1963 is the year in which agreement on the work-rules dispute must be reached. The railroads, he asserted, are not long for the "free enterprise world" if the industry is denied a share of the economy and efficiency made possible by technological advances.

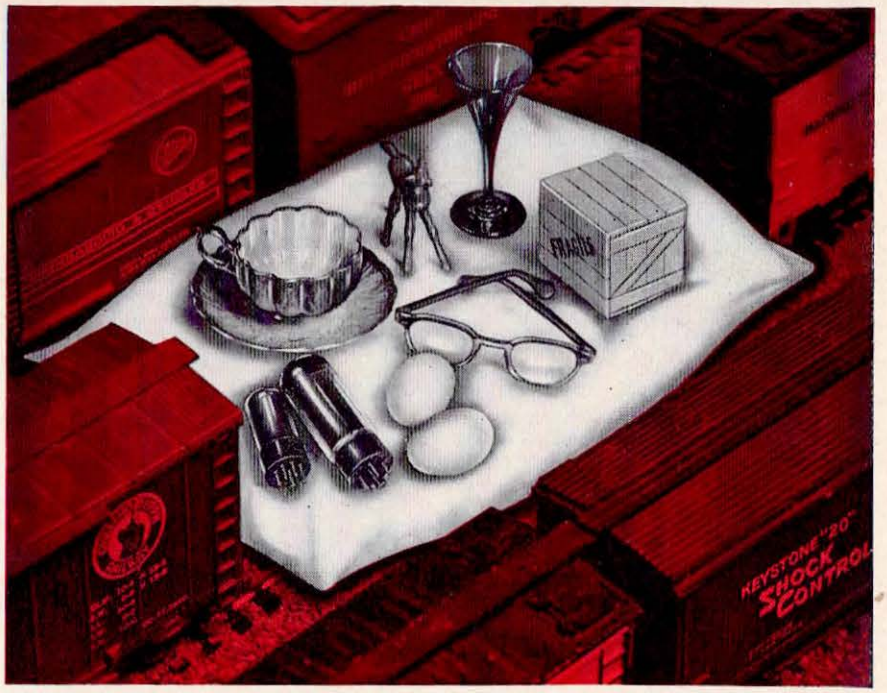
He described mergers and consolidations as another road to greater operating efficiency—"perhaps the greatest efficiency of all." Congress, he noted, has refused to enact legislation delaying the merger movement. "In refusing to apply the brakes on mergers," said Mr. Loomis, "Congress in effect has given the ICC a green light for expediting the handling of the merger proposals before it."

'New dimensions'

In an earlier talk, Curtis D. Buford, the AAR's vice president, operations and maintenance, told NASAB that recent technological advances point to "exciting new dimensions in rail transportation service." Citing recent trends to bigger and more specialized freight cars, more powerful locomotives, and better communications and signaling, he pointed out that 1962 rail expenditures for hardware came to $800 million—"Yet industry experts estimate that railroads should be spending at least $1½ billion." In the long run, he said, rail income should improve as new equipment helps solve many of the problems cited by the shippers during the NASAB sessions.

E. P. Miller, chairman of the AAR's Car Service Division, predicted that 1962's rail freight traffic will exceed 1961's by about half a million cars. Present car ownership, said Mr. Miller, is enough to take care of 29 million carloadings a year, if properly utilized. "It is not possible to predict how many additional cars will be purchased nor to what extent car repair programs will be increased," he said. "That depends entirely on the trend of business generally and upon increased revenues."

Like shipping your goods on a pillow . . .



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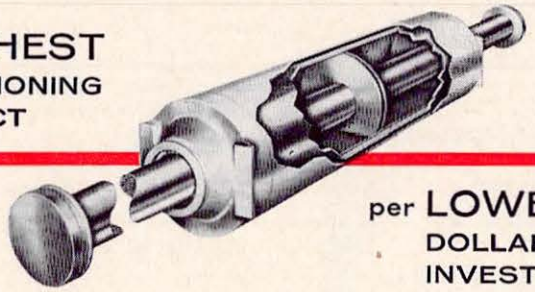

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PEOPLE IN THE NEWS

ARCATA & MAD RIVER.—J. E. Leavitt, operations and traffic agent, Blue Lake, Calif., promoted to general superintendent there, succeeding **R. V. Nicholas,** who retired Sept. 28.

BALTIMORE & OHIO.—Samuel T. McGowan appointed regional manager of industrial development, Cincinnati, succeeding **Walter F. Lockard,** transferred to Pittsburgh. Mr. McGowan was formerly regional representative at Cincinnati.

Joseph R. Mayher, division claim agent, Newark, Ohio, named district claim agent, Pittsburgh. **Pascal P. Glenn,** claim agent, Akron, Ohio, appointed district claim agent, Newark. **Daniel Lang,** division claim agent, Philadelphia, named assistant district claim agent there. **Charles P. McEvoy,** claim agent, Cumberland, Ohio, named assistant district claim agent, Baltimore.

CENTRAL OF GEORGIA.—George H. Dressel appointed car accountant; **David M. O'Brien** named superintendent mail-express and special equipment; **James E. Chester** appointed transportation inspector, all at Savannah, Ga.

CHICAGO & NORTH WESTERN.—W. E. Freeman appointed master mechanic, Chadron, Neb., replacing **J. H. Winfield,** who retired Sept. 30.

DETROIT, TOLEDO & IRONTON. — John C. Singer appointed district sales manager and **Erling Westgaard,** assistant district sales manager, at the new district office at Rand Tower, Minneapolis 2, Minn.

ELGIN, JOLIET & EASTERN.—Herbert F. Ernhart, trainmaster, South Chicago, Ill., appointed assistant superintendent, South Chicago division, succeeding **Walter H. Krick,** retired.

ERIE-LACKAWANNA.—Wesley F. Petteys, eastern district engineer of maintenance of way, retired Sept. 30 because of ill health.

MISSOURI PACIFIC.—J. H. Kitson appointed assistant controller—accounting, St. Louis. **M. F. Koenig** appointed manager—revenues accounting, and **W. E. McGrath,** manager—disbursements accounting, both at St. Louis. **R. A. Miller** named manager—freight claims, Palestine, Tex.

NEW YORK CENTRAL.—E. H. Wright, mechanical superintendent, Southern district, Indianapolis, Ind., appointed chief mechanical superintendent—locomotives, New York. **F. A. Danahy,** chief mechanical engineer, New York, appointed chief mechanical superintendent—car. **F. W. Kreidler** appointed director of systems and controls—mechanical, New York.

NORFOLK SOUTHERN.—R. H. Rast, general agent, Augusta, Ga., retires Oct. 31. **W. C. Lewis,** special representative, Raleigh, N.C., retires Nov. 1 for reasons of health. **James E. Foster** promoted to general agent, Chicago, succeeding **Charles W. Hoppe,** resigned. The Augusta office at 801 Marion Building, will be closed effective Oct. 31. The Atlanta office, **W. V. Saggus,** general agent, will supervise all Georgia points formerly under jurisdiction of the Augusta office. The Charlotte, N.C., office, **J. S. Cagle,** division freight agent, will supervise all South Carolina points formerly under the Augusta office.

PENNSYLVANIA.—Lynn C. Callender, office manager, freight sales and service, Northwestern region, Chicago, appointed district sales manager, Portland, Ore., succeeding **Theodore A. Precht,** retired.

William M. McLaughlin, supervisor of personnel, Cleveland, transferred to the New York region, succeeding **Harry B. Brevoort,** retired.

SOUTHERN PACIFIC.—Arnold K. Swann, general agent, St. Louis, named general freight and passenger agent there.

UNITED NEW JERSEY RR & CANAL.—Robert G. Cowan, chairman of the board, National Newark & Essex Bank, Newark, N.J., elected president, United NJ RR & Canal, succeeding the late **Bruce Bedford.**

WABASH.—F. C. Flynn appointed assistant manager transportation, St. Louis.

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YEAR 'ROUND POOL

Supply Trade

Donald E. Marteeny has been appointed assistant plant manager for the Huntington, W. Va., local railroad car building facilities of the **American Car & Foundry division of ACF Industries, Inc.** Mr. Marteeny formerly was assistant plant manager at the Berwick, Pa., plant.

Vincent A. Lauter has been named chief engineer of **Western Railroad Supply Co.,** a division of **Western Industries, Inc.,** Chicago.

Pullman, Inc., has established a new subsidiary, **Unimation, Inc.,** maker of robots for industry. **Joseph F. Engelberger** will be president of the subsidiary, which was created through a working agreement entered into with Consolidated Controls Corp. of Bethel, Conn., subsidiary of Consolidated Diesel Electric Corp., which developed the robot.

Julian R. Hoss, district manager, Atlanta sales office, **The Okonite Co.,** has been appointed manager—southern sales region, succeeding **Dewey A. White,** who retired Oct. 1.

The New York office of **Ellcon-National, Inc.,** will move to 74 Trinity Place from 30 Church Street, effective Oct. 22.

R. P. Moffett, sales manager, will head up the newly formed southeastern area electrical sales office, **American Steel & Wire Division of United States Steel Corp.,** in Fairfield, a suburb of Birmingham, Ala. **E. D. Hunter** named electrical sales engineer, **G. F. Hannon,** salesman, and **W. J. Forrester,** service manager at Birmingham.

U. D. Burk will manage the new Houston electrical sales office. **A. H. Crane** named salesman and **A. D. Graham,** service representative, Houston.

Dr. H. L. Gerhart, director of research and development, **Pittsburgh Plate Glass Co.,** has announced plans to expand pilot plant facilities at the Paint Division Research and Development Center at Springdale, Pa. **Robert P. Ericson** has been appointed to the newly created post of technical coordinator of industrial coatings at that point, with responsibility for coordinating liaison between the research and development programs of the Paint Division laboratories and the engineering departments of selected major customer accounts. **Harry E. Gilbert, Jr.,** has been appointed manager of industrial coatings, succeeding Mr. Ericson.

George A. Ranney, Jr., has been elected to the newly created position of vice president and general counsel of **Inland Steel Co.,** Chicago.

Andrew G. Howard, district sales manager, **Industrial Battery Division, Gould-National Batteries, Inc.,** has been appointed regional sales manager, Pittsburgh area.

William F. Huggins has been appointed vice president—international marketing, **Union Switch & Signal Division of Westinghouse Air Brake Co.,** at Swissvale, Pa. In addition, Mr. Huggins will continue as vice president—overseas operations, Westinghouse Air Brake Division.

Eugene J. Brown has been appointed western regional manager for diesel locomotive and engine renewal parts of **Alco Products, Inc.,** at Chicago. Four renewal parts representatives were appointed: **Theodore E. Fryar,** Los Angeles; **Ellsworth Hutchinson,** St. Louis; **James P. Sullivan,** Washington, D. C.; and **John H. Chandler,** North Bergen, N. J.

OBITUARY

E. R. Bardgett, retired vice president—traffic, **Western Maryland,** died Oct. 12.

James J. Kinsella, retired assistant to the general manager, **New York Central,** died Oct. 11 at his home in Chicago.

Dan F. Hall, 65, vice president and western sales manager, **Hunt-Spiller Manufacturing Corp.,** Boston, died Oct. 6 at his home in Dubuque, Iowa.

Charles L. Patterson, 56, chairman **New York City Transit Authority,** died Oct. 13 at his home in New York (see p. 37).

Mr. K's Journey to the Fair

Another Mr. K was touring the U. S. this month. This Mr. K (so nicknamed by a Chicago supplier) was the winner of International Railway Journal's drawing for a two-week trip to the U. S. to take a cross-country rail journey and visit the Seattle World's Fair.

Konstantine Kourentas, way and works manager on Greece's nationalized railway system, had an unusual look at U. S. railroading.

He saw rail operations from such diverse vantage points as Alco's locomotive assembly line at Schenectady; a section of Chicago & North Western track where a small gang (about 15 men) with five machines was doing what Mr. Kourentas assigns 100 men to do; a factory where cranes are manufactured; and the dome car of the "Empire Builder."

He talked with research engineers, conductors, section foremen, railroad presidents, porters, salesmen, public relations men and, on at least two occasions, visited the homes of railroad men.

His reaction? "Everyone here works hard. It is not odd that U. S. rail mechanization has progressed so far. The restlessness and dissatisfaction with existing systems that characterizes Americans in so many different fields of endeavor is also —though possibly to a smaller extent—a strong force among U. S. railroad men."

At Schenectady, where Mr. Kourentas went through the Alco plant, he talked (in fluent French) with Alco's youthful chief engineer of international operations, O. G. Dellacononica. Mr. Kourentas' interest in Alco? Greece recently began dieselization with an order for Alco locomotives.

Mr. Kourentas had a one-word description for a five-machine, 15-man crew raising track on the C&NW's right-of-way in Chicago: "Marvelous." Talking to Thomas L. Mabry, whose firm, Electric Tamper Export Co., handles some of the machines that were used by the C&NW track gang, he commented: "The machines are, of course, an economic bonanza in a time of rising costs. But also they represent a solution to a humanistic problem: In times of rising social expections, when people are increasingly reluctant to work like mules, the machines represent a way of getting work done. Railroad work, much of it, is heavy work. Anti-machine points of view on railways represent a kind of Neanderthalism in rail affairs."

GREEK VISITOR KOURENTAS is welcomed aboard "Empire Builder" by Evelyn Polach, of CB&Q's passenger department.

Mr. Kourentas also paid a call on Illinois Central's president, Wayne A. Johnston. Quizzed by Mr. Johnston, he told about his railroad's emerging problems as Greece gets more committed to the European Common Market: "We are entirely blocked from the European Economic Community by the Communist bloc—Yugoslavia, Bulgaria—and have problems of magnitude in handling traffic through them. We anticipate we'll have to standardize our gages [all Greece's southernmost lines in the Peloponnesus are meter gage] and possibly set up some sort of ferry arrangement to Italy or Trieste if things cannot be worked out." Mr. Johnston asked about privately owned railways in Greece, and Mr. Kourentas told about an electric interurban line which operates in Attica: "It is a profitable operation." (Greece's nationalized lines operate with a substantial deficit.) Mr. Johnston arranged for Mr. Kourentas to view IC's M/W mechanization with Greek-speaking IC section foreman George Economy as a guide. Afterward Mr. Kourentas visited the home of the Burro crane, the Cullen-Friestedt Co.'s Chicago plant, as a guest of CF President Frank P. Cullen.

At a Simmons-Boardman luncheon later, Mr. Kourentas told of his impressions midway through his U. S. visit. George L. Hudson, chairman of the board of Western Industries, Inc.; Thompson A. Nooner, vice president of the Railway Progress Institute; Thomas L. Mabry of Electric Tamper Export Co. and others heard his impressions of the work rules dispute on American railroads ("In Greece we have two men only in diesel cabs. There is something unpleasant about a man doing useless work"); the quality of U. S. rail equipment ("Better than most. It is stronger and lasts longer"); the price of U. S. equipment ("It is very high —all of it except your locomotives, which are quite a bit better in this regard").

His comment on the ride to Seattle aboard the "Empire Builder" was succinct: "Breath-taking. Words cannot describe the beauty of the trip—or the excellence of the train."

At Seattle a delegation headed by Bill Tanler, representing Sixten Holmquist, president of Alweg Monorail and the Wegematic Corp.; Norman Kurtz, Great Northern's Seattle public relations representative; and Father Polassis, of Seattle's Greek Orthodox Church, had a busy schedule arranged for Mr. Kourentas, who was the guest of Alweg Monorail in Seattle.

He rode the Fair's Monorail ("It's great! Having had a chance to see it and find out about it was worth the whole trip"). He also arranged for a Monorail film to be shown to his country's top rail engineers, had dinner in the space needle, and visited GN facilities.

Mr. Kourentas left Seattle Oct. 18, with a final word for U. S. railroaders:

"The problems I've heard about in rail affairs sound much the same as some of the problems we have in Greece. Our railroad, however, is state-owned and regulated. Yours are privately owned but regulated. It is puzzling. But you have an enormously vital and resourceful rail technology—and, from the ones I've met, men of stature in U. S. railroading. I do not doubt that you will find solutions."

—John Mitros

YOU OUGHT TO KNOW

White House study of the proposal to create a multi-state authority to operate railroad passenger services along the Atlantic seaboard between Washington and Boston has been ordered by President Kennedy. Principal proponent of the plan is Senator Pell (D.-R.I.), who aroused the President's interest. Mr. Kennedy assigned the study job to Myer Feldman, a member of the White House staff, asking for a "preliminary appraisal by late November in time for consideration in connection with the budget and legislative program to be presented to the Congress in January. At the same time, the President told Senator Pell that "technical, financial and operating aspects of the problem are plainly complex and difficult," and "the role, if any, which the federal government should eventually play is not at all clear."

The United States Supreme Court has agreed to determine whether carriers may be enjoined from putting rates in effect after expiration of the period for which the ICC has power to suspend. In issue are the multiple-car rates proposed by the Southern for shipment of grain in its "Big John" cars (RA, Aug. 27, p. 54).

C&EI President David O. Mathews has been elected president and general manager of the Chicago & Western Indiana following sale of C&WI's Belt Division to the Belt Railway of Chicago (RA, Aug. 27, p. 54). C&EI is one of Western Indiana's five owner companies. Lewis A. Evans, former Belt-C&WI president, has been elected president and general manager of the Belt.

Robert O. Boyd has ended 8½ years of service as a member of the National Mediation Board. He resigned to resume the practice of law in Washington. The NMB term which Mr. Boyd was serving expires Feb. 1, 1963.

Hotbox set-off record for July 1962 was over three times better than that for July 1961, according to latest AAR Mechanical Division figures. Average for all roads was 855,449 miles per set-off, compared with 266,450 miles for the 1961 month. Thirty-three roads operated with averages of over a million miles per set-off and five other lines each produced over a million car miles with no hotboxes.

An assortment of rail equipment—including diesel locomotives, tank cars and cranes—will be offered for sale during a pictorial-type auction of Defense Department surplus equipment Oct. 30-31 at the Sheraton-Chicago Hotel. Sale items are available for inspection at various points throughout the country. Catalogs are available from the Defense Surplus Sales Office, Office No. 32, Region 3, Department C, Rock Island Arsenal, Rock Island, Ill.

Three passengers were killed in train and train-service accidents in August and 172 were injured, according to the ICC's Bureau of Transport Economics and Statistics. This compared with no fatalities and 120 injuries in August a year ago. Fifteen employees on duty were killed in August and 1,657 injured, compared with seven killed and 1,797 injured in August 1961.

City planners and the Institute for Rapid Transit may get together on a concerted program to develop coordinated mass transportation systems for metropolitan areas. Walter J. McCarter, president of IRT, proposed recently that his group and the American Institute of Planners co-sponsor a national conference or a series of regional conferences devoted solely to the problems of planning a balanced transportation system coordinated with urban planning.

"The Florida Special," Atlantic Coast Line's New York to Miami luxury train, will begin its 75th year of service Dec. 14 more plush than ever. Operating on a fast 24-hour schedule, the train will be staffed by uniformed passenger representatives and hostesses to assist passengers. Among the features: fashion shows, telephone service, a reservation plan for dinner, complimentary champagne cocktails, and a musical lounge car.

Expansion work at ACF's freight-car production facilities in St. Louis is nearing completion. A second erection track is being installed to make possible the simultaneous assembly of two types of cars. Transferred to St. Louis from the Berwick, Pa., plant, which ACF has sold, is production of piggyback cars, trailer hitches, cushioned container cradles, and maintenance-of-way equipment.

Rate associations in the three territories are drawing up an agenda of proposals for bringing certain accessorial freight charges up to a compensatory level. A hearing has been scheduled in Chicago for Dec. 4.

Prospects for diversification led the merger-minded PRR and NYC to agree to name the new company "The Pennsylvania New York Central Transportation Company, with the emphasis on the word 'Transportation,'" NYC's vice president — purchasing, M. P. Richards, told the Wilmington (Del.) Purchasing Agents Association. Noting that present laws keep the railroads out of other modes of transportation, Mr. Richards said that "truly diversified transportation . . . offers one of the best long-range hopes for the preservation of a healthy rail industry."

Carriers have been reminded by the U. S. Department of Agriculture that apples, pears, and Emperor grapes headed for export markets must be accompanied by inspection certificates showing that the fruits meet requirements of the Export Apple and Pear or Export Grape and Plum Act. Exporters are required to furnish the carriers with the inspection certificates.

How much does M. of W. cost on your railroad?

In his new book on railway cost-finding,* E. C. Poole has a table (page 44), showing Maintenance of Way and Structures expense per 1000 gross ton-miles of 30 different railroads.

This cost shows an amazing variation—from 49c to $3.14 per 1000 gross ton-miles. And high cost shows no automatic connection with light traffic density. One road with just under 3700 g.t.m. per mile of line has a MW&S cost of 52c per 1000 g.t.m.—and another with almost 8500 g.t.m. has a cost of 51¢!

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Advertisers' Index

Alco Products Inc. 26-27

Bethlehem Steel Company 3
Brenco, Inc. 18
Budelman Electronics Corporation 40
Buffalo Brake Beam Company ..... I.F.C.

Demp-Nock Company 34

Edgewater Steel Company 21

Fairbanks Morse & Company 39

General Dynamics Telecommunication 31

International Car Division 38

Keystone Railway Equipment Company 45

Linde Company Div. of Union Carbide Corporation 25

Motorola Communications & Electronics, Inc. ..... I.B.C.

National Castings Company ..... B.C.

Servo Corporation of America 8
Shelton Towers 46
Sperry Rail Service—Howe Sound Company 28-29

Timken Roller Bearing Company, The 36-37

Union Switch & Signal
(Div. of Westinghouse Air Brake Co.) 4
U. S. Borax & Chemical Corporation 11
United States Steel Corporation 32-33

Waugh Equipment Company 6

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Who's to Pay For Lost Jobs?

The railroads are fortunate—for the fortitude shown by the Chicago & North Western under the leadership of Chairman Ben W. Heineman, in carrying to a successful conclusion its resistance to the Telegraphers' efforts to establish a virtual "freeze" on telegraphers' jobs. The issue was well stated before the strike began, by the Portland Oregonian, in these words:

"The telegraphers must be philosophical enough to accept the fact that technological progress created their jobs 111 years ago, and the same process now has made them obsolete."

While neither the North Western, nor any other railroad that we have heard of, is seeking to abolish *all* operators' positions—there's no doubt whatever that only a fraction of the number of these employees is now needed, compared to even a few years ago. The traffic justification for thousands of local stations has vanished. At the same time, technological progress has developed faster and less costly means of controlling train movements than by traditional train orders.

It would have been a tragedy—for the railway unions no less than for railway owners—if the union position on this issue had been sustained. The disastrous decline in railroad traffic and jobs is ascribable to two causes (and only two), viz.: (1) the extravagant subsidies government is heaping upon competing modes of transportation and (2) the obstacles placed in the railroads' path in adapting themselves to changed conditions.

Railroads are restricted in diversifying into other types of transportation (as, for example, Studebaker diversified from farm wagons into making automobiles). With a system of strictly regulated freight rates adapted to an era of railroad monopoly, railroads encounter frustrating regulatory resistance to every effort to modernize their charges for conditions that are now highly competitive. Their average costs of providing service for all commodities, and all locations on their lines, are being compared to costs (highly selective as to places and commodities served) of rival agencies of transportation—in the effort to label the railroad as "the high-cost carrier."

Adaptation to a changing environment is the price any animal species, or any human organization, must pay for survival. And seeking to "freeze" jobs is nothing more nor less than a point-blank refusal to adapt. Union leaders may not welcome the arbitration award in the C&NW case—but any other outcome would have been as harmful to the unions as to the railroads.

J. E. Wolfe, chairman of the new group of railway executives set up to deal with questions of labor policy, calls attention to the public education on the issues involved, which resulted from the North Western strike; and to the enthusiastic public support that came for management's position. He believes the public—having thus learned the basis for the major union-management controversies in the railroad industry—will now insist that the operating rules dispute be settled "within the framework of the recommendations of the Presidential Railroad Commission."

Probably he reads the auguries correctly. We certainly hope he does—for the good of everybody in and around the railroad business (organized employees included). There is one aspect of this job-security problem that (in our opinion) could be looked into more deeply than it has been. Take this situation, for instance:

Two pedestrians are walking down a road. An autoist plows into them, injuring both of them. Thereupon Pedestrian B attempts to recover damages from Pedestrian A, making no attempt at all to collect from the autoist who hit them both. If Pedestrian B is to be indemnified for his injuries, why should he not collect from the man who hit him—rather than from a fellow victim?

A large proportion of the jobs that have vanished on the railroads have disappeared—not because of technological changes, or "automation," or "coordination" or consolidation, but because the federal government has paralleled the railroads with subsidized superhighways and improved waterways. To the extent that this factor enters into loss of jobs, is it not quite obvious that, if anybody is going to pay indemnities, it should be the federal government rather than the railroads?

In the case of a merger or large-scale automation, economies result—a portion of which can be set aside to indemnify people who lose their jobs in the process. But when jobs are lost because the government has artificially and arbitrarily diverted railroad traffic to rival agencies—the railroads in these cases have no attendant savings with which to pay indemnities to anybody.

The victory for the principle that management is responsible for manning decisions is heartening. Those who contributed to that victory deserve the gratitude of all Americans. The C&NW arbitration award is, thus, a milestone in union-management relations.

Whether or not it will also be a turning point toward permanently improved labor relations depends on the intelligence and the vigor of the "follow-through" by all parties—unions, managements and government.

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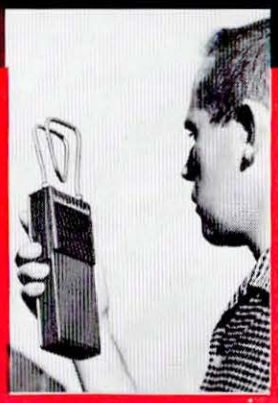

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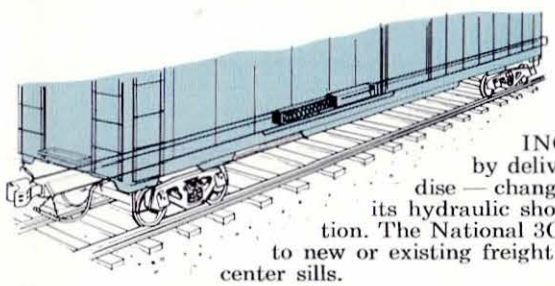

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